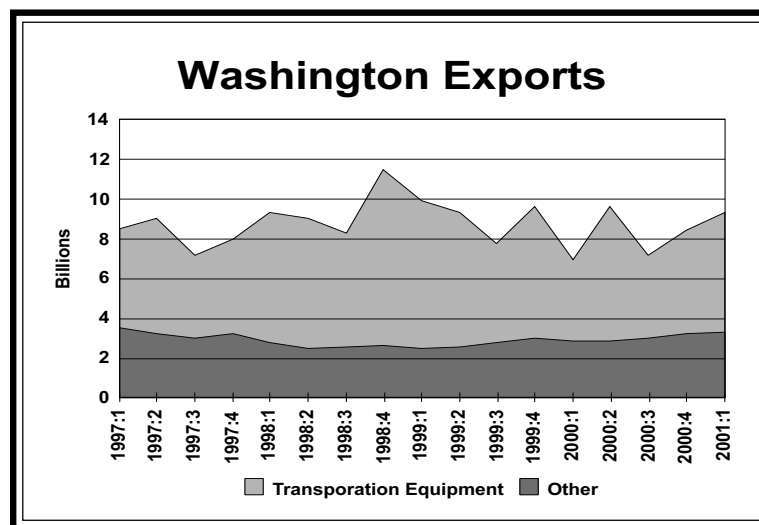


Washington Economic and Revenue Forecast



June 2001
Volume XXIV, No. 2

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Explanation of the Cover Graph

The cover chart shows the performance of Washington's exports according to foreign trade data compiled by the Massachusetts Institute for Social and Economic Research (MISER). Washington's exports are usually dominated by transportation equipment, predominantly Boeing aircraft. The impact of the Asian financial and economic crisis can be clearly seen in Washington's non-transportation equipment exports which declined nearly 30 percent from the first quarter of 1997 to the first quarter of 1999. Fortunately for Washington State, exports of transportation equipment were very strong in 1998 and 1999 during the Asian downturn. As of the first quarter of 2001, non-transportation exports had recovered to 94 percent of the pre-crisis level.

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Washington Economic and Revenue Forecast

Prepared by the
Office of the Forecast Council

June 2001
Volume XXIV, No. 2

Preface

The Office of the Forecast Council is required by Chapter 231, Section 34, Laws of 1992 (RCW 82.33.020) to prepare a quarterly state economic and revenue forecast and submit it to the Forecast Council. This report presents the state's economic and General Fund-State revenue forecast. It is issued four times a year.

Copies are available to Washington State businesses and residents for \$4.50 per copy, and to those out-of-state for \$9.00 per copy. You may contact our office for more subscription information at (360) 570-6100 or by writing the Office of the Forecast Council, Post Office Box 40912, Olympia, WA 98504-0912.

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Table of Contents

Preface	iii
List of Tables	vii
List of Charts	ix

Executive Summary	1
--------------------------------	----------

Chapter 1

Washington State and U.S. Economic Forecasts

Recent U.S. Economic Activity	5
U.S. Forecast Highlights	6
Recent Economic Activity in Washington	7
Adjustments to Economic Data	8
Washington State Forecast Highlights	9
Alternative Forecasts	12
Governor's Council of Economic Advisors Scenario	13

Chapter 2

Washington Business Indicators

The National Economy	25
The State Economy and Indicators	26

Chapter 3

Washington State Revenue Forecast Summary

Introduction	35
Background and Assumptions	36
June 2001 Forecast Assumptions	37
Recent Collection Experience	39
The Forecast for the 1999-01 and 2001-03 Biennia	41
Forecast Change for the 1999-01 and 2001-03 Biennia	48
Non-Economic Changes to the Forecast	48
Department of Revenue	49
Department of Licensing	56
Office of Financial Management: Other Agencies	57
Lottery Commission	57
State Treasurer	57
Insurance Commissioner	57
Liquor Control Board	57
Track Record for the 1999-01 Biennium	58
Track Record for the 2001-03 Biennium	58
Relationship Between Cash and GAAP General Fund-State Revenue Forecasts	58
Alternative Forecast for the 1999-01 and 2001-03 Biennia	63

Chapter 4: Special Report	
County Personal Income and Employment, 1995 to 1999	69
Appendices	
Detail Components of the Washington Economic Forecast	109
Glossary	139

List of Tables

Chapter 1

Washington State and U.S. Economic Forecasts

Table 1.1	U.S. Economic Forecast Summary	14
Table 1.2	Washington Economic Forecast Summary	15
Table 1.3	Comparison of Alternative Forecasts	16
Table 1.4	Forecast Analysis	17
Table 1.5	Forecast Comparison	18
Table 1.6	Long Range Economic Outlook	19

Chapter 2

Washington Business Indicators

Table 2.1	Washington Business Indicators	33
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Chapter 3

Washington State Revenue Forecast Summary

Table 3.1	Revision to the General Fund-State Forecast	35
Table 3.2	Economic and Revenue Forecast Flow Chart	38
Table 3.3	Collection Variance, March 11 - June 10, 2001	40
Table 3.4	General Fund-State Collections, Historical	42
Table 3.5	Taxable Retail Sales	45
Table 3.6	Summary of Changes to General Fund-State Forecast	47
Table 3.7	General Fund-State Forecast by Agency, 1999-01 Biennium; Cash Basis	50
Table 3.8	General Fund-State Forecast by Agency, 1999-01 Biennium; GAAP Basis	51
Table 3.9	General Fund-State Forecast by Agency, 2001-03 Biennium; Cash Basis	52
Table 3.10	General Fund-State Forecast by Agency, 2001-03 Biennium; GAAP Basis	53
Table 3.11	June 2001 General Fund-State Forecast by Fiscal Year	54
Table 3.12	Summary of the Revenue Impact of 2001 Tax legislation, General Fund-State	55
Table 3.13	Track Record for the 1999-01 General Fund-State Cash Forecast	59
Table 3.14	Track Record for the 2001-03 General Fund-State Cash Forecast	60
Table 3.15	June 2001 Baseline Forecast by Agency	61
Table 3.16	1999-01 Balance Sheet	62
Table 3.17	Alternative Forecasts Compared to Baseline Forecast (June 2001), 1999-01 Biennium	65
Table 3.18	Alternative Forecasts Compared to Baseline Forecast (June 2001), 2001-03 Biennium	66
Table 3.19	Impact of Initiative 728 on State Property Tax and Lottery Revenue	67

Chapter 4: Special Report

County Personal Income and Employment, 1995 to 1999

Table 4.1	1999 Job Ratio, Unemployment, and Per Capita Residence Adjustment	74
Table 4.2	1999 Full-Time and Part-Time Employees and Earnings by Major Industry	75
Table 4.3	Personal Income by Major Source and Earnings by Industry, 1999	82
Table 4.4	Per Capita Personal Income	106
Table 4.5	1999 Per Capita Personal Income and Median Home Prices	107

Appendices

Detail Components of the Washington Economic Forecast

Table A1.1	U.S. Economic Forecast Summary; Annual	110
Table A1.2	U.S. Economic Forecast Summary; Quarterly	111
Table A1.3	Washington Economic Forecast Summary; Annual	114
Table A1.4	Washington Economic Forecast Summary; Quarterly	115
Table A2.1	U.S. Nonagricultural Employment by Industry; Annual	118
Table A2.2	U.S. Nonagricultural Employment by Industry; Quarterly	119
Table A2.3	Washington Nonagricultural Employment by Industry; Annual	122
Table A2.4	Washington Nonagricultural Employment by Industry; Quarterly	123
Table A3.1	U.S. Personal Income by Component; Annual	126
Table A3.2	U.S. Personal Income by Component; Quarterly	127
Table A3.3	Washington Personal Income by Component; Annual	130
Table A3.4	Washington Personal Income by Component; Quarterly	131
Table A4.1	Selected Inflation Indicators	134
Table A4.2	Chain-Weighted Price Indices	135
Table A5.1	Total Resident Population and Components of Changes	136
Table A5.2	Washington Population	137

List of Charts

Chapter 1

Washington State and U.S. Economic Forecast

Comparison of Washington and U.S. Economic Forecasts

Chart 1.1	Total Nonagricultural Employment	20
Chart 1.2	Manufacturing Employment	20
Chart 1.3	Aerospace Employment	20
Chart 1.4	Forest Products Employment	20
Chart 1.5	Construction Employment	21
Chart 1.6	Trade Employment	21
Chart 1.7	Services Employment	21
Chart 1.8	Government Employment	21
Chart 1.9	Real Personal Income	22
Chart 1.10	Consumer Price Indices	22
Chart 1.11	Population	22
Chart 1.12	Per Capita Housing Units	22

Comparison of Alternative U.S. Forecasts

Chart 1.13	Real GDP	23
Chart 1.14	Implicit Price Deflator	23
Chart 1.15	Mortgage Rate	23
Chart 1.16	Three Month T-Bill Rate	23

Comparison of Alternative Washington Forecasts

Chart 1.17	Personal Income	24
Chart 1.18	Real Personal Income	24
Chart 1.19	Nonagricultural Employment	24
Chart 1.20	Housing Permits	24

Chapter 2

Washington Business Indicators

Washington Economic Indicators

Chart 2.1	Year-over-Year Employment Growth	28
Chart 2.2	Washington Aircraft and Parts Employment	28
Chart 2.3	Unemployment Rate	28
Chart 2.4	Washington Boom Monitor Composite Index	28

Washington State Leading Indicators

Chart 2.5	The Washington and U.S. Indexes of Leading Indicators	29
Chart 2.6	Washington Initial Claims for Unemployment Insurance	29
Chart 2.7	Seattle Times and U.S. Help-Wanted Advertising Indexes	29
Chart 2.8	Housing Units Authorized in Washington State	29

Other State Economic Indicators

Chart 2.9	Average Weekly Hours in Manufacturing	30
Chart 2.10	Washington Driver's License Migration	30
Chart 2.11	New Car and Truck Registrations in Washington	30
Chart 2.12	Purchasing Management Composite Index	30

Other Economic Indicators

Chart 2.13	Quarterly U.S. Real GDP Growth	31
Chart 2.14	Washington State Export Composition	31
Chart 2.15	U.S. Economic Indicators	31
Chart 2.16	Employment Growth in Metropolitan Areas of Washington	31
Chart 2.17	Federal Funds Target Rate	32
Chart 2.18	Consumer Confidence	32
Chart 2.19	Seattle vs. U.S. CPI	32
Chart 2.20	Northwest 50 Regional Stock Index vs. National Indices	32

Chapter 3

Washington State Revenue Forecast

Chart 3.1	General Fund-State Revenue	43
Chart 3.2	General Fund-State Revenue; Percent Change	43
Chart 3.3	Composition of General Fund-State Revenue	44
Chart 3.4	Taxable Sales as a Percent of Personal Income	44

Chapter 4: Special Report

County Personal Income and Employment, 1995 to 1999

Chart 4.1	1999 County Per Capita Personal Income by Source	72
Chart 4.2	1999 Earnings per Job	73

Executive Summary

The June 2001 forecast incorporated the advance GDP estimate for the first quarter of 2001. According to the advance estimate, real GDP growth improved slightly to 2.0 percent in the first quarter from just 1.0 percent in the fourth quarter of 2000 in spite of a huge inventory swing. Final sales of domestic product jumped 4.6 percent compared to 1.7 percent in the fourth quarter. Consumers did their part in the first quarter, with a 3.1 percent increase in spending. Apparently the first quarter inventory correction came largely at the expense of the rest of the world as a 10.4 percent decline in imports contributed 1.6 percentage points to the GDP growth in the quarter.

Employment growth picked up slightly in the first quarter, rising at a 1.2 percent rate compared to 0.7 percent in the fourth quarter but the unemployment rate increased from 3.97 percent to 4.23 percent. Inflation, as measured by the consumer price index, increased to 4.2 percent in the first quarter from 2.9 percent in the fourth quarter of 2000. Even more worrisome, inflation excluding food and energy increased from 2.4 percent to 3.2 percent, which is the highest rate of core inflation in nearly six years. Housing starts improved at a 23.0 percent rate to 1.639 million units in the first quarter as the mortgage rate fell from 7.64 percent to 7.01 percent. As anticipated in the forecast, the Fed cut the Fed funds rate another 50 basis points in May to 4.00 percent.

The U.S. forecast shows slightly less real GDP growth in 2002 than did the forecast adopted in March. The forecast expects GDP growth to decline from 5.0 percent in 2000 to 2.1 percent in 2001 before recovering to 3.1 percent in 2002 and 3.7 percent in 2003. While the baseline forecast assumes there will be no outright recession, the slow growth during 2001 is expected to raise the unemployment rate from 3.97 percent in the fourth quarter of 2000 to a peak of 5.05 percent in the first quarter of 2002. The weakening economy is expected to ease inflationary pressures, which had been building. Inflation, as measured by the implicit price deflator for personal consumption expenditures, is expected to decline from 2.4 percent in 2000 to 2.2 percent in 2001 and 2.1 percent in 2002 before drifting up to 2.5 percent in 2003. The Federal Reserve Open Market Committee has already cut the fed funds rate five times this year for a total of 250 basis points. The forecast assumes that the Fed will cut the rate another 25 basis points at each of the next two meetings, reaching 3.50 percent in August.

Washington nonfarm employment growth rose to 1.6 percent in the first quarter of 2001 from just 0.6 percent in the fourth quarter. Excluding the impact of temporary census related employment, the improvement was less dramatic, from 0.9 percent to 1.6 percent. Manufacturing employment fell at a 2.1 percent annual rate in the first quarter of 2001 following a 3.4 percent decline in

the fourth quarter. Aerospace employment rose at a 1.6 percent annual rate in the first quarter of 2001. The first quarter marked the first quarterly increase in this sector in nearly three years (excluding the impact of the end of last year's strike). The rest of the manufacturing sector continued to worsen, however. Non-aerospace manufacturing employment fell at a 3.3 percent rate in the first quarter following a 3.6 percent decline in the fourth quarter of last year. Nonmanufacturing employment growth picked up somewhat in the first quarter to 2.1 percent from a Census-adjusted 1.6 percent in the fourth quarter of 2000. Construction employment growth shot up at a 6.9 percent rate in the first quarter but the increase was probably influenced by unusually mild weather. The only other sector with strong growth in the first quarter was state and local government, which increased at a 3.9 percent rate. The other sectors showed only moderate growth. Trade employment increased 0.9 percent and even the usually robust services sector increased only 1.4 percent. With the Census related layoffs essentially over, federal government employment increased 1.5 percent in the first quarter.

Washington's personal income in the fourth quarter of 2000 was \$1.282 billion (0.7 percent) lower than assumed in the March forecast. Newly available Covered Employment and Payrolls (ES202) data show that wage and salary disbursements were \$1.171 billion (1.1 percent) lower than previously believed. Software wages were very close to the forecast, only \$0.155 billion (2.3 percent) lower than expected. Other wages, however, were \$1.016 billion (1.0 percent) lower than expected in March. Nonwage personal income in the fourth quarter of 2000 was just \$0.111 billion (0.1 percent) lower than expected in March.

The number of housing units authorized by building permit increased 1,800 to 43,400 in the first quarter of 2001 from 41,600 in the fourth quarter. The number of single family units soared 4,700 from 25,900 in the fourth quarter to 30,600 in the first quarter but multi-family authorizations fell 2,900 from 15,700 to 12,800.

The forecast assumes higher software wages than expected in March due to the increase in Microsoft's stock price since the last forecast. The second quarter 2001 software wage forecast of \$6.734 billion is \$1.077 billion higher than in the March forecast. As in March, the forecast assumes a gradual decline in software wages due to a declining number of options being exercised and a declining average net gain per option exercised. Aerospace employment in April was about 1,000 higher than expected in the March forecast. The pattern of growth after April is similar to the March forecast except that the forecast assumes the loss of 500 jobs in the third quarter as a result of the Boeing corporate headquarters move. According to the current forecast, the last aerospace cycle ended in the fourth quarter of 2000 with a peak to trough job loss of 27,400. This year aerospace employment should be flat while a modest upturn is expected in 2002 and 2003. The forecast also assumes that a turnaround in Asia began to boost Washington employment growth in the second quarter of 2000. The forecast adds about 600 per quarter through 2001 reflecting Washington's disproportionate reliance on trade with Asia. The energy related assumptions are essentially the same as in March. The forecast assumes that higher BPA rates after October 1, 2001 will boost local prices and depress spending, employment and income in the area. Largely offsetting these impacts is an assumption that previously enacted temporary rate increases by the Snohomish County PUD, Seattle City Light, and Tacoma Power will be reversed on July 1, 2002. We also assumed that higher BPA electricity rates after October 1, will force further reductions in employment in the aluminum industry. We believe that employment in aluminum smelting has fallen to about 3,500 in April from 5,000 last June. We have assumed a decline of another 1,500 by the fourth quarter of this year.

Wage and salary employment growth improved to 2.5 percent in 2000 from 2.1 percent in 1999. Employment growth is expected to decline in 2001 as the U.S. economy slows down. The forecast expects employment growth of 1.0 percent in 2001, recovering to 1.4 percent in 2002 and 2.0 percent in 2003. Washington personal income grew 6.6 percent in 2000, down only slightly from 7.6 percent in 1999 in spite of a huge decline in software income. Excluding software, income growth would have accelerated from 5.7 percent in 1999 to 8.1 percent in 2000. Slower growth is expected in 2001 due to slower employment growth and a further decline in Microsoft stock option income. The forecast expects personal income to grow 2.5 percent in 2001, recovering to 5.0 percent in 2002 and 6.5 percent in 2003. Housing activity is expected to weaken during the remainder of 2001 due to declining consumer confidence, slow population growth, and weak income and employment growth. Only a modest recovery is expected in the single family market which has been strong for some time. The multi-family market should benefit from an increase in net migration in 2002 and 2003, however. The forecast expects housing permits to fall from 39,000 in 2000 to 38,100 in 2001 before recovering to 40,500 and 42,000 in 2002 and 2003.

The forecast assumes there will be no recession in the immediate future but the outlook for U.S. GDP growth now appears slightly weaker than assumed in March. At the state level, revised employment and income data indicate that growth in the fourth quarter was weaker than we believed in March. Preliminary data for the first four months of this year also indicate weaker growth than assumed in March. Finally, a lower than expected revenue collection experience since the last forecast reinforces the belief that we are ending this biennium with a weaker local economy than assumed three months ago. The June 2001 General Fund-State revenue forecast for the 1999-01 biennium is \$21,285.0 million, a decrease of \$27.3 million since the March forecast. The General Fund-State revenue forecast for the next biennium is \$22,099.1 million, a reduction of \$116.4 million. For the two biennia combined, the forecast change due to economic factors is a negative \$116.5 million but non-economic changes, primarily the phase out of the federal estate tax, cost the General Fund an additional \$27.3 million for a total reduction of \$143.7 million.

As required by law, optimistic and pessimistic alternative forecasts were developed for the 1999-01 and 2001-03 biennia. The forecast based on more optimistic economic assumptions netted \$83 million more revenue in the current biennium and \$801 million more in the next biennium and than did the baseline forecast while the pessimistic scenario was \$86 million lower in 1999-01 and \$1,001 million lower in 2001-03. An alternative forecast based on the average view of the Governor's Council of Economic Advisors yielded \$4 million more revenue in this biennium and \$70 million more in 2001-03 than did the baseline forecast.

Washington State and U.S. Economic Forecasts

Recent U.S. Economic Activity

The June 2001 forecast incorporated the advance GDP estimate for the first quarter of 2001. According to the advance estimate, real GDP growth improved slightly to 2.0 percent in the first quarter from just 1.0 percent in the fourth quarter of 2000 in spite of a huge inventory swing. Final sales of domestic product jumped 4.6 percent compared to 1.7 percent in the fourth quarter. Consumers did their part in the first quarter, with a 3.1 percent increase in spending. Purchases of durable goods rebounded in the first quarter, rising 11.9 percent while purchases of nondurable goods and services rose 2.6 percent and 1.7 percent. Fixed investment edged up only 1.6 percent in the first quarter as a 2.1 percent decline in business purchases of equipment and software almost completely offset an 11.0 percent increase in nonresidential construction and a 3.3 percent increase in residential fixed investment. Apparently the first quarter inventory correction came largely at the expense of the rest of the world as a 10.4 percent decline in imports contributed 1.6 percentage points to the GDP growth in the quarter. Exports were down 2.2 percent in the first quarter. Government spending rose 4.0 percent in the first quarter with federal civilian spending up 7.0 percent and defense spending up 4.9 percent. State and local government purchases increased 3.1 percent in the quarter.

Employment growth picked up slightly in the first quarter, rising at a 1.2 percent rate compared to 0.7 percent in the fourth quarter but the unemployment rate increased from 3.97 percent to 4.23 percent. Inflation, as measured by the consumer price index, increased to 4.2 percent in the first quarter from 2.9 percent in the fourth quarter of 2000. Even more worrisome, inflation excluding food and energy increased from 2.4 percent to 3.2 percent, which is the highest rate of core inflation in nearly six years. Housing starts improved at a 23.0 percent rate to 1.639 million units in the first quarter as the mortgage rate fell from 7.64 percent to 7.01 percent. As anticipated in the forecast, the Fed cut the Fed funds rate another 50 basis points in May to 4.00 percent.

U.S. Forecast Highlights

The U.S. forecast shows slightly less real GDP growth in 2002 than did the forecast adopted in March. The forecast expects GDP growth to decline from 5.0 percent in 2000 to 2.1 percent in 2001 before recovering to 3.1 percent in 2002 and 3.7 percent in 2003. While the baseline forecast assumes there will be no outright recession, the slow growth during 2001 is expected to raise the unemployment rate from 3.97 percent in the fourth quarter of 2000 to a peak of 5.05 percent in the first quarter of 2002. The weakening economy is expected to ease inflationary pressures, which had been building. Inflation, as measured by the implicit price deflator for personal consumption expenditures, is expected to decline from 2.4 percent in 2000 to 2.2 percent in 2001 and 2.1 percent in 2002 before drifting up to 2.5 percent in 2003. The Federal Reserve Open Market Committee has already cut the fed funds rate five times this year for a total of 250 basis points. The forecast assumes that the Fed will cut the rate another 25 basis points at each of the next two meetings, reaching 3.50 percent in August.

1. Real GDP grew 5.2 percent in fiscal 2000, the fourth consecutive year in excess of 4 percent. The long-awaited slowdown has finally arrived, brought on by a series of Federal Reserve interest rate hikes from June 1999 through May 2000 totaling 175 basis points. Despite lower equity prices, higher energy costs, and a decline in consumer confidence, consumer spending has held up pretty well but an inventory correction is under way and equipment spending continues to suffer from over-capacity. Nevertheless, the forecast expects the economy to avoid an outright recession with easier monetary and fiscal policies providing stimulus during the second half of this year. Real GDP growth is expected to slow to 3.2 percent in fiscal 2001 and 2.4 percent in 2002 before recovering to 3.6 percent in 2003.
2. Inflation has remained relatively well-behaved given the strong growth and low unemployment of recent years. Inflation, as measured by the implicit price deflator for personal consumption expenditures, increased to 2.2 percent in fiscal 2000 from a 36-year-low 1.3 percent in 1999, largely as result of a surge in energy prices. Still, the economy was operating at such a high rate that a resurgence of inflation was threatening. The forecast assumes that the slowdown in the economy is sufficient to prevent an upward spiral of wages and prices, however. The inflation rate is expected to remain fairly stable during the next three years at 2.3 percent in 2001, 2.1 percent in 2002, and 2.4 percent in 2003.
3. Prompted by increasing signs of a rapidly slowing economy and the decline in the stock market, the Federal Reserve moved quickly and decisively, cutting the Fed funds rate a total of 250 basis points so far this year including the 50 basis point reduction in May. The forecast assumes another 25 basis point cut at each of the next two meetings which would bring the rate down to 3.50 percent in August compared to 6.50 at the beginning of the year. The Fed is expected to reverse course again in the second quarter of 2002 when it becomes apparent that a recovery has taken hold. The three-month Treasury bill rate rose to 5.23 percent in fiscal 2000 from 4.49 percent in 1999. The T-bill rate is expected to decline slightly to 5.18 percent in 2001, dropping to 3.30 percent in fiscal 2002. The forecast expects an increase in the T-bill rate to 4.21 percent in 2003 as the economy improves and the Fed becomes less accommodating. Mortgage rates also moved up in fiscal 2000 to 8.05 percent from 6.93 percent in 1999. The forecast expects the mortgage rate to decline to 7.42 percent in 2001 and 6.89 percent in 2002 before increasing to 7.54 percent in 2003.

4. In spite of higher mortgage interest rates, housing starts remained strong in fiscal 2000, dipping only 0.2 percent to 1.672 million units. The weakening economy and declining consumer confidence are expected to depress housing in the next two years, but the decline should be mitigated by lower mortgage rates. The forecast expects housing starts to decline 6.3 percent in fiscal 2001 to 1.568 million units and another 6.2 percent to 1.471 million units in 2002. Only a modest 5.8 percent recovery to 1.556 million units is expected in 2003 as the beneficial impact of the recovery is partially offset by higher mortgage rates.
5. The nation's unemployment rate continued to decline in fiscal 2000 to 4.10 percent from 4.38 percent in 1999. The jobless rate in 2000 was the lowest since 1970. Though the forecast assumes output continues to grow, the growth will not be enough to offset productivity and labor force growth. As a result, the unemployment rate is expected rise. The unemployment rate will remain low by historical standards, however. The forecast expects the unemployment rate to rise to 4.21 percent in fiscal 2001 and 4.97 percent in 2002 before declining to 4.84 percent in 2001.
6. The federal budget surplus (national income and product accounts basis) continued to grow in fiscal 2000, rising to \$191.8 billion from \$83.9 billion in 1999 and \$2.3 billion in 1998. The forecast expects the surplus to peak in 2001 at \$268.1 billion. This would not only be a record in absolute terms, but, at 2.6 percent of GDP, one of the highest in relative terms as well. The recently enacted tax cuts combined with the slowdown in the economy should reduce the surplus in the next two years. The budget surplus is expected to shrink to \$128.7 billion in fiscal 2002 and \$112.6 billion in 2003.
7. The foreign sector continues to be a drag on GDP growth. The trade deficit (national income and product accounts basis) increased in fiscal 2000 to \$317.5 billion from \$193.3 billion in 1999. While weak growth at home should restrain import growth, weak growth abroad combined with the strong dollar should restrain export growth even more. The trade gap is expected to widen to \$380.7 billion in 2001, \$390.3 billion in 2002, and \$415.9 billion in 2003.

Table 1.1 provides a fiscal year summary of the U.S. economic indicators.

Recent Economic Activity in Washington

The Employment Security Department has released preliminary employment estimates through April 2001. This forecast is based on adjusted employment estimates as described in **Adjustments to Economic Data**. Washington nonfarm employment growth rose to 1.6 percent in the first quarter of 2001 from just 0.6 percent in the fourth quarter. Excluding the impact of temporary census related employment, the improvement was less dramatic, from 0.9 percent to 1.6 percent. Manufacturing employment fell at a 2.1 percent annual rate in the first quarter of 2001 following a 3.4 percent decline in the fourth quarter. Aerospace employment rose at a 1.6 percent annual rate in the first quarter of 2001. The first quarter marked the first quarterly increase in this sector in nearly three years (excluding the impact of the end of last year's strike). The rest of the manufacturing sector continued to worsen, however. Non-aerospace manufacturing employment fell at a 3.3 percent rate in the first quarter following a 3.6 percent decline in the fourth quarter of last year. Nonmanufacturing employment growth picked up somewhat in the first quarter to 2.1 percent from a Census-adjusted 1.6 percent in the fourth quarter of 2000. Construction employment growth shot

up at a 6.9 percent rate in the first quarter but the increase was probably influenced by unusually mild weather. The only other sector with strong growth in the first quarter was state and local government, which increased at a 3.9 percent rate. The other sectors showed only moderate growth. Trade employment increased 0.9 percent and even the usually robust services sector increased only 1.4 percent. With the Census related layoffs essentially over, federal government employment increased 1.5 percent in the first quarter.

In April 2001 the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) revised its quarterly state personal income estimates through the third quarter of 2000 and released preliminary estimates for the fourth quarter. In addition, the wage estimates for all four quarters of 2000 have been adjusted to reflect the Covered Employment and Payrolls data produced by the Department of Employment Security (see **Adjustments to Economic Data**). According to the adjusted estimates, Washington's personal income in the fourth quarter of 2000 was \$1.282 billion (0.7 percent) lower than assumed in the March forecast. Newly available Covered Employment and Payrolls (ES202) data show that wage and salary disbursements were \$1.171 billion (1.1 percent) lower than previously believed. Software wages were very close to the forecast, only \$0.155 billion (2.3 percent) lower than expected. Other wages, however, were \$1.016 billion (1.0 percent) lower than expected in March. Nonwage personal income in the fourth quarter of 2000 was just \$0.111 billion (0.1 percent) lower than expected in March.

The number of housing units authorized by building permit increased 1,800 to 43,400 in the first quarter of 2001 from 41,600 in the fourth quarter. The number of single family units soared 4,700 from 25,900 in the fourth quarter to 30,600 in the first quarter but multi-family authorizations fell 2,900 from 15,700 to 12,800.

Adjustments to Economic Data

This forecast utilizes an alternative employment estimate developed by the Department of Employment Security and the Office of the Forecast Council. The alternative employment estimate incorporates the covered employment and payrolls data through the fourth quarter of 2000 which subtracts 7,600 (0.3 percent) from the Current Employment Statistics (CES) estimate for December 2000. In addition, the growth pattern from December 2000 through April 2001 has been adjusted to reflect the average historical revision between the preliminary (sample based) estimates and the final (covered employment and payrolls based) estimates subtracting an additional 5,200 (0.2 percent). The combined effect of the adjustments was to reduce the April 2001 employment estimate by 12,800 (0.5 percent).

The BEA will eventually benchmark its 2000 estimates for wage and salary disbursements to the covered employment and payrolls (ES202) data for all sectors except agriculture and federal government. In addition, we have one more quarter of ES202 data than was available to the BEA at the time of its most recent release. For these reasons, we derived wage estimates for these sectors for all four quarters of 2000 based on the ES202 data. Unadjusted BEA estimates were used for farm, federal civilian, and military wages as well as for all nonwage components of personal income. Our adjustments reduced the fourth quarter wage estimate by \$0.908 billion (0.8 percent) subtracting 0.5 percent from total personal income in that quarter.

Washington State Forecast Highlights

The forecast assumes higher software wages than expected in March due to the increase in Microsoft's stock price since the last forecast. The second quarter 2001 software wage forecast of \$6.734 billion is \$1.077 billion higher than in the March forecast. As in March, the forecast assumes a gradual decline in software wages due to a declining number of options being exercised and a declining average net gain per option exercised. Aerospace employment in April was about 1,000 higher than expected in the March forecast. The pattern of growth after April is similar to the March forecast except that the forecast assumes the loss of 500 jobs in the third quarter as a result of the Boeing corporate headquarters move. According to the current forecast, the last aerospace cycle ended in the fourth quarter of 2000 with a peak to trough job loss of 27,400. This year aerospace employment should be flat while a modest upturn is expected in 2002 and 2003. The forecast also assumes that a turnaround in Asia began to boost Washington employment growth in the second quarter of 2000. The forecast adds about 600 per quarter through 2001 reflecting Washington's disproportionate reliance on trade with Asia. The energy related assumptions are essentially the same as in March. The forecast assumes that higher BPA rates after October 1, 2001 will boost local prices and depress spending, employment and income in the area. Largely offsetting these impacts is an assumption that previously enacted temporary rate increases by the Snohomish County PUD, Seattle City Light, and Tacoma Power will be reversed on July 1, 2002. We also assumed that higher BPA electricity rates after October 1, will force further reductions in employment in the aluminum industry. We believe that employment in aluminum smelting has fallen to about 3,500 in April from 5,000 last June. We have assumed a decline of another 1,500 by the fourth quarter of this year.

Wage and salary employment growth improved to 2.5 percent in 2000 from 2.1 percent in 1999. Employment growth is expected to decline in 2001 as the U.S. economy slows down. The forecast expects employment growth of 1.0 percent in 2001, recovering to 1.4 percent in 2002 and 2.0 percent in 2003. Washington personal income grew 6.6 percent in 2000, down only slightly from 7.6 percent in 1999 in spite of a huge decline in software income. Excluding software, income growth would have accelerated from 5.7 percent in 1999 to 8.1 percent in 2000. Slower growth is expected in 2001 due to slower employment growth and a further decline in Microsoft stock option income. The forecast expects personal income to grow 2.5 percent in 2001, recovering to 5.0 percent in 2002 and 6.5 percent in 2003. Housing activity is expected to weaken during the remainder of 2001 due to declining consumer confidence, slow population growth, and weak income and employment growth. Only a modest recovery is expected in the single family market which has been strong for some time. The multi-family market should benefit from an increase in net migration in 2002 and 2003, however. The forecast expects housing permits to fall from 39,000 in 2000 to 38,100 in 2001 before recovering to 40,500 and 42,000 in 2002 and 2003.

1. Nominal personal income grew 9.1 percent in fiscal 2000, up from a strong 7.4 percent the previous year. Personal income growth has averaged more than 8 percent per year for the last four years. While employment growth slowed slightly in fiscal 2000, average wage growth rose from 7.0 percent to 9.0 percent, a remarkable performance in an economy with little inflation. The stronger wage growth in fiscal 2000 was largely due to the software sector, where the value of exercised stock options surged once again. Even without the software sector, however, average wages would have risen 6.3 percent in 2000 compared to 4.7 percent in 1999. Much weaker personal income growth is expected in fiscal 2001 par-

tially as a result of slower job growth, but mainly as a result of a sharp reduction in software stock option income. Personal income is expected to grow only 2.6 percent in 2001 but, outside of the software sector, the forecast is for 5.7 percent growth. The forecast expects Washington personal income to recover to 4.1 percent in 2002 and 5.9 percent in 2003 as the hemorrhaging of software income subsides and the economy begins to recover.

2. Washington real personal income growth improved to 6.8 percent in fiscal 2000 from 6.0 percent in 1999 as higher inflation was overcome by even stronger nominal income growth. Real personal income growth has been very strong considering the slow employment and population growth of recent years. Real personal growth is expected suffer from the slowing economy and a decline in software income in fiscal 2001, rising only 0.3 percent before recovering to 2.0 percent in 2002 and 3.5 percent in 2003.
3. Reflecting the impact of the aerospace downturn, Washington wage and salary employment growth slowed again in fiscal 2000 to 2.4 percent from 2.5 percent in 1999 and 3.8 percent in 1998. Employment growth is expected to remain weak for the next three years due to the slowdown in the U.S. economy. Still, no local recession is expected as long as the U.S. economy avoids a recession. The forecast calls for employment growth rates of 1.6 percent in 2001 and 1.0 percent in 2002 before recovering to 1.8 percent in 2003.
 - ◆ Lumber and wood products employment fell 400 in the first quarter of 2001 to 31,300. Unlike the national industry, which saw a strong recovery from 1992 through 1999, lumber and wood products employment in Washington continued to lose ground as a result of timber supply constraints and the economic problems in Asia. More recently, the job loss has been compounded by the national manufacturing recession. The forecast expects a loss of another 600 jobs in the second quarter, which would make a decline of 3,000 from the year-earlier level. The forecast assumes that the cyclical downturn and adjustment to reduced federal timber supplies is essentially complete. After the second quarter the forecast is for an increase 1,400 by the end of 2003.
 - ◆ Aerospace employment rose 300 in the first quarter of 2001, the first quarterly increase in nearly three years excluding the return to work of striking workers in the second quarter of 2000. The overall decline during the last downturn was 27,400. Boeing has announced that it expects to deliver 530 commercial airplanes in 2001 and 2002, an increase of about 8 percent over the 489 delivered in 2000. While the forecast assumes an upturn in production in the upcoming biennium, the employment gains are expected to be limited by continued productivity growth. The forecast expects little change for the remainder of this year and an increase of only 5,300 by the fourth quarter of 2003.
 - ◆ Washington's construction boom appears to be subsiding. Construction employment grew at a 6.9 percent annual rate between the fourth quarter of 1995 and the first quarter of 2000. During the last four quarters the growth rate dropped to only 1.7 percent and nearly all of that was in the first quarter of 2001 which was unseasonably mild. The decline in housing activity and general economic weakness during 2001 is expected to produce a 1.5 percent decline in construction employment by the first quarter of 2002. While the forecast expects a recovery in economic growth, population growth, and housing activity in 2002 and 2003, the gains in construction are expected to be limited. The forecast expects an average growth rate of 1.3 percent per year during the final seven quarters of the forecast.

- ◆ Employment in the finance, insurance, and real estate sector increased at a 1.7 percent annual rate in the first quarter of 2001. The first quarter growth was more than accounted for by the finance industry where the recent drop in interest rates is once again prompting an upsurge in refinancing activity. Both insurance employment and real estate employment declined, however. While the stimulus from refinancing is likely to be brief, the forecast assumes continued moderate growth as the overall economy recovers. The forecast expects an average growth rate of 2.2 percent per year through the end of 2003.
 - ◆ Retail trade employment rose at a 1.6 percent annual rate in the first quarter of 2001 following two quarterly declines. The growth rate over the year was only 0.3 percent. The decline in consumer confidence, slow population growth, and weak economy have been particularly hard on trade employment. In addition, much of the troubled dot-com industry is classified as retailing. Growth is expected to remain anemic for the rest of this year, averaging less than 0.2 percent. The forecast expects a moderate recovery 2002 and 2003, however. A growth rate of 1.0 percent per year is expected for the final two years of the forecast.
 - ◆ Services employment increased at a 1.4 percent rate in the first quarter of 2001, the weakest growth in this sector since 1993. The over the year the growth rate was 3.3 percent. The slowdown in services growth in the first quarter was mainly due to business services which declined in spite of a double digit growth rate for computer and data processing services. The monthly data suggest a weak 1.7 percent growth rate in the second quarter as well, with a recovery beginning in the second half of the year. Employment growth in the services sector is expected to average 3.1 percent for the remainder of the forecast period.
 - ◆ State and local government employment jumped 3.9 percent in the first quarter but the seasonal factors for this sector are suspect. The year-over-year growth rate of 1.5 percent is probably a better indicator of the trend in this sector. State and local government employment growth is less cyclical than the economy in general, but slower growth in general and a substantial decline in the growth rate of the school age population in particular are expected to restrain growth during the remainder of the forecast. The forecast expects state and local government employment growth to average 1.2 percent per year during the remaining eleven quarters of the forecast.
4. Suffering from a sharp rise in mortgage interest rates and weak population growth, the number of housing units authorized by building permit fell 12.5 percent in fiscal 2000 to 39,300 from 45,000 in 1999. Housing permits are expected to rise slightly in 2001 to 40,600 mainly as a result of a very strong first quarter. The forecast expects a 7.5 percent decline to 37,500 in fiscal 2002, however, as the impact of lower mortgage rates is outweighed by the weak economy, declining consumer confidence and low population growth. The economic recovery and an expected upturn in migration should spur housing activity in the final year of the forecast. Housing permits are expected to increase 9.9 percent in 2003 to 41,300.
 5. Inflation in the Seattle metropolitan area, as measured by the consumer price index for all urban consumers, increased in fiscal 2000 to 3.2 percent from 3.0 percent in 1999. While the local inflation rate remains higher than the corresponding rate for the U.S., the gap has

narrowed. The U.S. CPI rose 2.9 percent in 2000 compared to 1.7 percent in 1999. The gap is expected to increase in fiscal 2001 in large part due to the energy problems that have plagued the region, but the forecast assumes that Seattle inflation will be close to the national average during the following two years. The forecast calls for CPI inflation rates of 4.0 percent, 2.7 percent, and 1.9 percent in Seattle compared to 3.4 percent, 2.7 percent, and 2.5 percent for the U.S. city average.

Table 1.2 provides a fiscal year summary of the state economic indicators.

Alternative Forecasts

As required by statute, the Forecast Council has also adopted two alternatives to the baseline forecast. One of these was based on more optimistic economic assumptions than the baseline and one was based on more pessimistic assumptions. These alternatives are summarized in Table 1.3.

In the pessimistic forecast for the U.S. economy the excess capacity and inventory problems are more severe than assumed in the baseline forecast. Business investment is cut back sharply, consumer confidence plummets, and the S&P 500 drops back below 1200. The Fed responds with two more 50 basis point reductions in the target federal funds at the next two meetings of the FOMC. The rate cuts do not prevent a recession but do set the stage for a vigorous recovery in 2002. Real GDP falls 1.7 percent over the course of the second, third, and fourth quarters, with investment cutbacks and inventory liquidation dominating the downturn. At the state level, aerospace production cuts coupled with continued improvement in productivity lead to a continued decline in aerospace employment rather than the recovery that is assumed in the baseline forecast. Washington's wage growth and inflation are relatively slow and Washington personal income is lower. Population growth is also slower in this scenario and the 2001-02 correction in construction employment is much more severe than in the baseline forecast. By the end of the 2001-03 biennium, Washington nonagricultural employment is lower by 59,900 jobs than in the baseline forecast and Washington personal income is \$11.3 billion lower. The pessimistic scenario produced \$86 million (0.4 percent) less General Fund-State revenue in the current biennium and \$1,001 million (4.5 percent) less revenue in 2001-03 than did the baseline forecast.

The optimistic forecast for the U.S. economy is a less likely alternative. This scenario assumes an upturn in consumer confidence in 2001 rather than continued deterioration as in the baseline. Because productivity growth is also stronger in this scenario than in the baseline, the resulting higher GDP growth rate does not translate into higher inflation. This allows the Fed to pursue a more accommodating monetary policy than in the baseline forecast, further stimulating investment and consumer spending. In 2003, real GDP growth is again over 4 percent but inflation holds steady at around 2 percent. At the state level, the initial level of personal income is higher in the optimistic forecast and wages and prices grow faster. The recovery in Washington aerospace employment is stronger than in the baseline scenario. Population growth and construction employment growth were also enhanced in the optimistic alternative. By the end of the 2001-03 biennium, Washington nonagricultural employment is higher by 54,300 jobs than in the baseline forecast and Washington personal income is \$8.0 billion higher. The optimistic scenario generated \$83 million (0.4 percent) more General Fund-State revenue in the 1999-01 biennium and \$801 million (3.6 percent) more revenue in the 2001-03 biennium than did the baseline forecast.

Governor's Council of Economic Advisors Scenario

In addition to the optimistic and pessimistic forecasts, the staff has prepared a forecast based on the opinions of the Governor's Council of Economic Advisors (GCEA) as summarized in Table 1.3. In the GCEA scenario, the U.S. and state forecasts were adjusted to match the average view of the Council members. With the fiscal year nearly over, the GCEA forecast was virtually identical to the baseline in 2001. Nationally the Governor's Council scenario had weaker GDP growth and lower inflation in the next biennium. The GCEA scenario also exhibited higher short term and long term interest rates in 2002 but lower rates in 2003. Overall, the GCEA forecasts for Washington State were also similar to the baseline forecast. The Governor's Council members expected stronger income growth, both nominal and real, in 2002 but weaker growth in 2003. Their employment forecast was slightly stronger in both years. The GCEA housing forecast was similar to the baseline in fiscal 2002 but weaker in 2003. At the end of the 2001-03 biennium, Washington nonagricultural employment was 9,200 higher in the GCEA forecast than in the baseline forecast though their Washington personal income forecast was \$0.171 billion lower. The Governor's Council scenario generated \$4 million (0.0 percent) more revenue in the 1999-01 biennium and \$70 million (0.3 percent) more in the 2001-03 biennium than did the baseline forecast.

Table 1.1
U.S. Economic Forecast Summary
Forecast 2001 to 2003

Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003
Real National Income Accounts (Billions of Chained 1996 Dollars)								
Real Gross Domestic Product	7,665.7	7,980.4	8,340.0	8,676.3	9,125.1	9,419.6	9,641.6	9,988.6
% Ch	2.8	4.1	4.5	4.0	5.2	3.2	2.4	3.6
Real Consumption	5,158.8	5,318.1	5,548.3	5,822.8	6,147.2	6,395.0	6,576.3	6,804.3
% Ch	3.1	3.1	4.3	4.9	5.6	4.0	2.8	3.5
Real Nonresidential Fixed Investment	849.9	951.0	1,079.1	1,193.9	1,338.0	1,437.6	1,461.4	1,560.2
% Ch	8.2	11.9	13.5	10.6	12.1	7.4	1.7	6.8
Real Residential Fixed Investment	302.4	316.2	330.0	361.5	370.1	360.5	346.3	357.8
% Ch	2.0	4.6	4.4	9.5	2.4	-2.6	-3.9	3.3
Real Personal Income	6,430.8	6,664.6	6,989.3	7,307.0	7,573.7	7,817.8	7,967.8	8,240.9
% Ch	2.8	3.6	4.9	4.5	3.7	3.2	1.9	3.4
Real Per Capita Income (\$/Person)	24,304	24,952	25,925	26,860	27,594	28,230	28,514	29,229
% Ch	1.8	2.7	3.9	3.6	2.7	2.3	1.0	2.5
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	0.989	1.011	1.025	1.038	1.061	1.085	1.108	1.134
% Ch	2.1	2.2	1.4	1.3	2.2	2.3	2.1	2.4
U.S. Consumer Price Index (1982-84=1.0)	1.546	1.590	1.619	1.646	1.694	1.752	1.798	1.842
% Ch	2.7	2.8	1.8	1.7	2.9	3.4	2.7	2.5
Employment Cost Index (June 1989=1.0)	1.239	1.280	1.329	1.380	1.431	1.485	1.539	1.602
% Ch	3.1	3.3	3.9	3.8	3.8	3.7	3.6	4.1
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	7,593.6	8,061.1	8,556.5	9,025.0	9,649.8	10,177.7	10,638.4	11,302.6
% Ch	4.9	6.2	6.1	5.5	6.9	5.5	4.5	6.2
Personal Income	6,361.3	6,736.6	7,161.7	7,587.9	8,037.2	8,484.6	8,826.0	9,344.6
% Ch	4.9	5.9	6.3	6.0	5.9	5.6	4.0	5.9
Employment (Millions)								
U.S. Civilian Labor Force	132.9	135.3	137.0	138.6	140.3	141.4	143.0	144.7
Total U.S. Employment	125.5	128.2	130.6	132.5	134.5	135.5	135.9	137.7
Unemployment Rate (%)	5.57	5.22	4.66	4.38	4.10	4.21	4.97	4.84
Wage and Salary Employment	118.27	121.10	124.30	127.34	130.26	131.97	132.86	134.51
% Ch	2.0	2.4	2.6	2.4	2.3	1.3	0.7	1.2
Manufacturing	18.49	18.56	18.81	18.66	18.49	18.20	17.57	17.60
% Ch	0.0	0.4	1.4	-0.8	-0.9	-1.6	-3.5	0.1
Durable Manufacturing	10.73	10.88	11.17	11.14	11.10	10.94	10.45	10.47
% Ch	1.2	1.4	2.7	-0.2	-0.4	-1.4	-4.5	0.2
Nondurable Manufacturing	7.76	7.68	7.65	7.52	7.39	7.26	7.12	7.13
% Ch	-1.6	-1.0	-0.5	-1.6	-1.7	-1.8	-1.9	0.1
Nonmanufacturing	99.78	102.54	105.49	108.68	111.77	113.77	115.29	116.91
% Ch	2.4	2.8	2.9	3.0	2.8	1.8	1.3	1.4
Services	33.77	35.22	36.80	38.27	39.75	40.79	41.62	42.75
% Ch	4.2	4.3	4.5	4.0	3.9	2.6	2.0	2.7
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	20.0	20.5	20.2	20.3	20.7	21.6	21.2	20.8
Auto Sales (Millions)	8.7	8.3	8.2	8.3	9.0	8.5	8.4	8.9
% Ch	-0.6	-4.5	-1.7	1.7	7.8	-5.0	-1.8	6.0
Housing Starts (Millions)	1.447	1.457	1.530	1.676	1.672	1.568	1.471	1.556
% Ch	4.5	0.7	5.0	9.5	-0.2	-6.3	-6.2	5.8
Federal Budget Surplus (Billions)	-171.1	-97.1	2.3	83.9	191.8	268.1	128.7	112.6
Net Exports (Billions)	-74.8	-88.6	-115.6	-193.3	-317.5	-380.7	-390.3	-415.9
3-Month Treasury Bill Rate (%)	5.14	5.04	5.04	4.49	5.23	5.18	3.30	4.21
30-Year U.S. Govt. Bond Rate (%)	6.54	6.83	6.10	5.44	6.14	5.65	5.66	6.21
Bond Index of 20 G.O. Munis. (%)	5.78	5.72	5.24	5.08	5.82	5.37	5.40	5.82
Mortgage Rate (%)	7.60	7.90	7.20	6.93	8.05	7.42	6.89	7.54

Table 1.2

Fiscal Years

Washington Economic Forecast Summary

Forecast 2001 to 2003

	1996	1997	1998	1999	2000	2001	2002	2003
Real Income (Billions of Chained 1996 Dollars)								
Real Personal Income	135.326	143.461	152.383	161.552	172.540	173.022	176.446	182.610
% Ch	3.4	6.0	6.2	6.0	6.8	0.3	2.0	3.5
Real Wage and Salary Disb.	74.891	80.587	87.368	94.309	102.910	101.206	103.935	107.263
% Ch	4.3	7.6	8.4	7.9	9.1	-1.7	2.7	3.2
Real Nonwage Income	60.435	62.874	65.014	67.243	69.630	71.816	72.511	75.346
% Ch	2.4	4.0	3.4	3.4	3.5	3.1	1.0	3.9
Real Per Capita Income (\$/Person)	24,283	25,300	26,466	27,687	29,299	29,101	29,347	29,971
% Ch	1.6	4.2	4.6	4.6	5.8	-0.7	0.8	2.1
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	0.989	1.011	1.025	1.038	1.061	1.085	1.108	1.134
% Ch	2.1	2.2	1.4	1.3	2.2	2.3	2.1	2.4
Seattle Cons. Price Index (1982-84=1.0)	1.544	1.606	1.653	1.702	1.757	1.826	1.876	1.912
% Ch	2.8	4.0	2.9	3.0	3.2	4.0	2.7	1.9
Avg. Hourly Earnings-Mfg. (\$/Hour)	14.52	14.96	15.43	15.97	16.41	17.19	17.76	18.09
% Ch	-2.4	3.1	3.1	3.5	2.8	4.8	3.3	1.9
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	133.129	144.332	155.661	167.452	182.996	187.461	194.995	206.514
% Ch	5.5	8.4	7.8	7.6	9.3	2.4	4.0	5.9
Personal Income	133.868	145.015	156.144	167.767	183.097	187.777	195.450	207.068
% Ch	5.6	8.3	7.7	7.4	9.1	2.6	4.1	5.9
Disposable Personal Income	116.588	125.287	133.918	143.236	155.317	157.890	167.183	177.790
% Ch	4.9	7.5	6.9	7.0	8.4	1.7	5.9	6.3
Per Capita Income (\$/Person)	24,020	25,574	27,118	28,752	31,091	31,582	32,507	33,985
% Ch	3.8	6.5	6.0	6.0	8.1	1.6	2.9	4.5
Employment (Thousands)								
Washington Civilian Labor Force	2,842.9	2,928.2	3,015.2	3,067.5	3,050.4	3,077.7	3,130.2	3,186.1
Total Washington Employment	2,653.2	2,764.6	2,876.3	2,921.1	2,899.1	2,911.8	2,943.0	2,992.5
Unemployment Rate (%)	6.67	5.59	4.61	4.77	4.96	5.39	5.98	6.08
Wage and Salary Employment	2,371.5	2,464.8	2,558.2	2,621.3	2,685.2	2,729.0	2,756.5	2,806.0
% Ch	1.7	3.9	3.8	2.5	2.4	1.6	1.0	1.8
Manufacturing	332.8	357.5	378.5	373.0	356.3	346.4	340.3	346.6
% Ch	-1.5	7.4	5.9	-1.5	-4.5	-2.8	-1.8	1.9
Durable Manufacturing	223.1	248.3	270.0	264.7	247.6	240.2	235.0	240.3
% Ch	-3.2	11.3	8.7	-2.0	-6.5	-3.0	-2.2	2.3
Aerospace	77.3	95.8	111.2	107.7	89.9	86.6	87.1	89.6
% Ch	-13.1	23.8	16.1	-3.1	-16.5	-3.7	0.5	2.9
Nondurable Manufacturing	109.7	109.2	108.5	108.3	108.7	106.1	105.3	106.4
% Ch	2.1	-0.4	-0.7	-0.2	0.4	-2.4	-0.8	1.0
Nonmanufacturing	2,038.7	2,107.3	2,179.7	2,248.4	2,328.9	2,382.6	2,416.3	2,459.4
% Ch	2.3	3.4	3.4	3.2	3.6	2.3	1.4	1.8
Construction	123.6	132.7	139.2	148.8	158.7	162.3	162.6	163.8
% Ch	0.8	7.4	4.9	6.9	6.7	2.2	0.2	0.7
Services	637.1	662.4	695.0	723.1	760.6	792.2	812.1	838.5
% Ch	4.3	4.0	4.9	4.0	5.2	4.1	2.5	3.3
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	39.516	38.050	45.127	44.954	39.318	40.593	37.546	41.251
% Ch	-4.8	-3.7	18.6	-0.4	-12.5	3.2	-7.5	9.9
Single-Family	27.998	26.010	29.346	28.252	26.387	27.274	26.038	26.029
% Ch	0.7	-7.1	12.8	-3.7	-6.6	3.4	-4.5	-0.0
Multi-Family	11.518	12.040	15.780	16.702	12.931	13.319	11.508	15.222
% Ch	-15.9	4.5	31.1	5.8	-22.6	3.0	-13.6	32.3
Mortgage Rate (%)	7.60	7.90	7.20	6.93	8.05	7.42	6.89	7.54

Table 1.3
Comparison of Alternative Forecasts

	Fiscal Year 2001				Fiscal Year 2002				Fiscal Year 2003			
	O	B	P	G	O	B	P	G	O	B	P	G
U.S.												
Real GDP	9425.5	9419.6	9425.5	9425.5	9691.0	9641.6	9691.0	9691.0	10058.0	9988.6	10058.0	10058.0
%Ch	3.3	3.2	3.0	3.2	2.8	2.4	-0.6	2.1	3.8	3.6	4.5	3.5
Implicit Price Deflator	1.086	1.085	1.086	1.085	1.111	1.108	1.108	1.109	1.133	1.134	1.121	1.131
%Ch	2.3	2.3	2.3	2.3	2.3	2.1	2.0	2.2	2.0	2.4	1.2	2.0
Mortgage Rate	7.42	7.42	7.43	7.45	6.90	6.89	6.66	7.17	7.06	7.54	7.11	7.41
3 Month T-Bill Rate	5.18	5.18	5.17	5.22	3.25	3.30	2.72	3.62	3.57	4.21	3.49	4.07
Washington												
Real Personal Income*	173.533	173.022	172.351	172.945	180.376	176.446	170.487	177.690	189.009	182.610	175.402	183.355
%Ch	0.6	0.3	-0.1	0.2	3.9	2.0	-1.1	2.7	4.8	3.5	2.9	3.2
Personal Income	188.467	187.777	187.162	187.704	200.381	195.450	188.925	197.012	214.230	207.068	196.700	207.313
%Ch	2.9	2.6	2.2	2.5	6.3	4.1	0.9	5.0	6.9	5.9	4.1	5.2
Employment	2730.9	2729.0	2726.0	2729.3	2781.2	2756.5	2709.7	2761.9	2851.8	2806.0	2743.4	2814.4
%Ch	1.7	1.6	1.5	1.6	1.8	1.0	-0.6	1.2	2.5	1.8	1.2	1.9
Housing Permits	41.587	40.593	39.565	40.573	43.631	37.546	29.791	37.667	46.814	41.251	36.338	40.380
%Ch	5.8	3.2	0.6	3.2	4.9	-7.5	-24.7	-7.2	7.3	9.9	22.0	7.2

(O) Optimistic; (B) Baseline; (P) Pessimistic; (G) Governor's Council of Economic Advisors

Table 1.4

Forecast Analysis

Comparison of Forecasts for 1999-01

Forecast Date	1998				1999				2000				2001	
	<u>Feb.</u>	<u>June</u>	<u>Sept.</u>	<u>Nov.</u>	<u>Mar.</u>	<u>June</u>	<u>Sept.</u>	<u>Nov.</u>	<u>Feb.</u>	<u>June</u>	<u>Sept.</u>	<u>Nov.</u>	<u>Mar.</u>	<u>June</u>
U.S.														
Percent Growth, 99:2-01:2														
Real GDP	4.6	4.9	4.6	4.4	4.4	3.7	5.4	6.0	7.6	8.9	9.4	9.3	7.9	7.9
Implicit Price Deflator	4.6	5.0	5.1	5.1	3.8	3.7	3.7	3.9	3.3	4.2	4.9	4.6	4.3	4.6
Average Rate, 99:3 to 01:2														
3 Month T-Bill Rate	4.16	4.38	4.02	3.94	4.62	4.41	4.88	4.94	5.25	5.61	5.56	5.60	5.26	5.21
Mortgage Rate	6.92	6.53	6.11	6.05	6.84	7.00	7.35	7.61	7.96	8.02	8.00	8.05	7.70	7.74
Washington														
Percent Growth, 99:2-01:2														
Employment	3.6	3.6	3.1	3.2	3.0	3.0	3.5	3.0	3.4	4.2	5.1	4.1	4.8	3.9
Personal Income	9.5	9.8	9.1	8.6	8.6	8.2	9.3	11.1	13.7	12.6	13.5	13.2	12.0	11.9
Real Personal Income	4.7	4.5	3.9	3.4	4.6	4.3	5.3	6.9	10.1	8.1	8.2	8.2	7.4	7.0
Total (Thousands of units), 99:3 to 01:2														
Housing Units Authorized	85.4	89.9	88.1	85.9	83.6	84.0	84.1	81.7	79.4	81.9	82.9	82.2	80.5	79.9

Table 1.5

Fiscal Years

Forecast Comparison

Forecast 2001 to 2003

	1999	2000	2001	2002	2003
U.S.					
Real GDP					
June Baseline	8676.3	9125.1	9419.6	9641.6	9988.6
% Ch	4.0	5.2	3.2	2.4	3.6
March Baseline	8676.3	9125.1	9419.3	9663.9	10029.6
% Ch	4.0	5.2	3.2	2.6	3.8
Implicit Price Deflator					
June Baseline	1.038	1.061	1.085	1.108	1.134
% Ch	1.3	2.2	2.3	2.1	2.4
March Baseline	1.038	1.061	1.083	1.106	1.131
% Ch	1.3	2.2	2.1	2.1	2.3
U.S. Unemployment Rate					
June Baseline	4.38	4.10	4.21	4.97	4.84
March Baseline	4.38	4.10	4.27	5.13	5.06
Mortgage Rate					
June Baseline	6.93	8.05	7.42	6.89	7.54
March Baseline	6.93	8.05	7.36	6.84	7.63
3 Month T-Bill Rate					
June Baseline	4.49	5.23	5.18	3.30	4.21
March Baseline	4.49	5.23	5.29	4.32	5.02
Washington					
Real Personal Income					
June Baseline	161.552	172.540	173.022	176.446	182.610
% Ch	6.0	6.8	0.3	2.0	3.5
March Baseline	161.923	172.427	174.018	178.344	184.844
% Ch	6.1	6.5	0.9	2.5	3.6
Personal Income					
June Baseline	167.767	183.097	187.777	195.450	207.068
% Ch	7.4	9.1	2.6	4.1	5.9
March Baseline	168.152	182.980	188.515	197.174	209.091
% Ch	7.5	8.8	3.0	4.6	6.0
Employment					
June Baseline	2621.3	2685.2	2729.0	2756.5	2806.0
% Ch	2.5	2.4	1.6	1.0	1.8
March Baseline	2621.3	2685.4	2741.9	2778.7	2831.4
% Ch	2.5	2.4	2.1	1.3	1.9
Housing Permits					
June Baseline	44.954	39.318	40.593	37.546	41.251
% Ch	-0.4	-12.5	3.2	-7.5	9.9
March Baseline	44.954	40.469	40.063	41.481	42.850
% Ch	-0.4	-10.0	-1.0	3.5	3.3

Table 1.6

Calendar Years

Long Range Economic Outlook

Forecast 2001 to 2010

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
U.S.*											
Real GDP, %Ch	5.0	2.1	3.1	3.7	3.5	3.6	3.4	3.2	3.5	3.7	3.7
Implicit Price Deflator, %Ch	2.4	2.2	2.1	2.5	1.5	1.6	1.8	1.9	1.9	2.1	2.3
3 Month T-Bill Rate	5.82	3.80	3.62	4.59	4.32	4.60	4.59	4.58	4.60	4.63	4.64
Mortgage Rate	8.06	6.95	7.13	7.72	7.31	7.41	7.37	7.37	7.40	7.46	7.51
State**											
Real Personal Income, %Ch	4.1	0.3	2.8	3.9	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Personal Income, %Ch	6.6	2.5	5.0	6.5	4.1	4.1	4.3	4.4	4.5	4.6	4.8
Employment, %Ch	2.5	1.0	1.4	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

* June 2001 Baseline (2001-2003) extended with the DRI May 2000 Trendlong Forecast.

** June 2001 Baseline (2001-2003) judgmentally extended through 2010.

Comparison of Washington and U.S. Economic Forecasts

Chart 1.1
Total Nonagricultural Employment

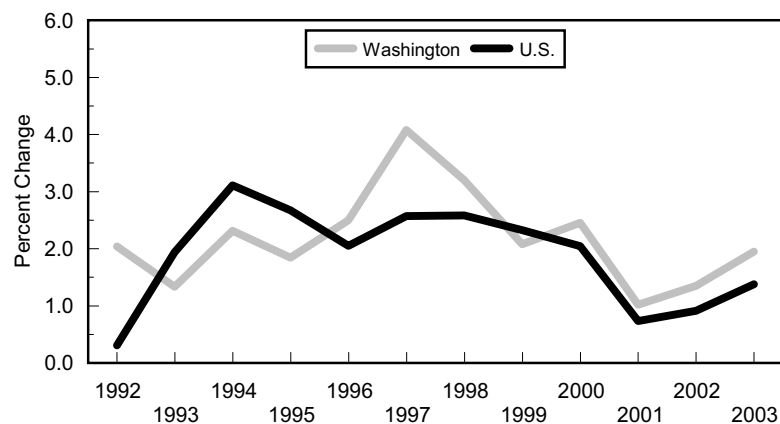


Chart 1.2
Manufacturing Employment

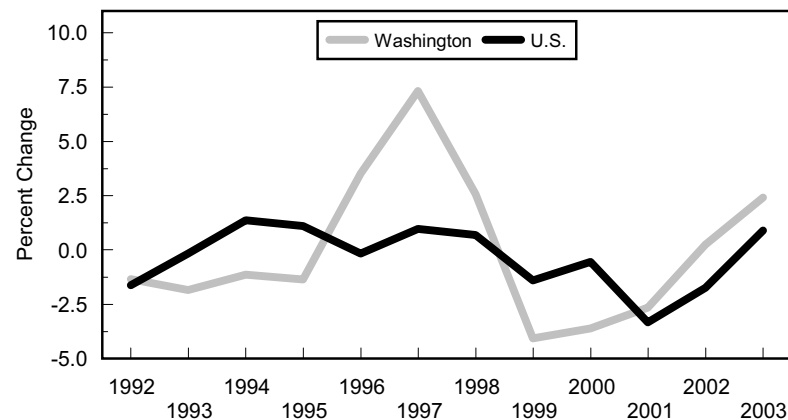


Chart 1.3
Aerospace Employment

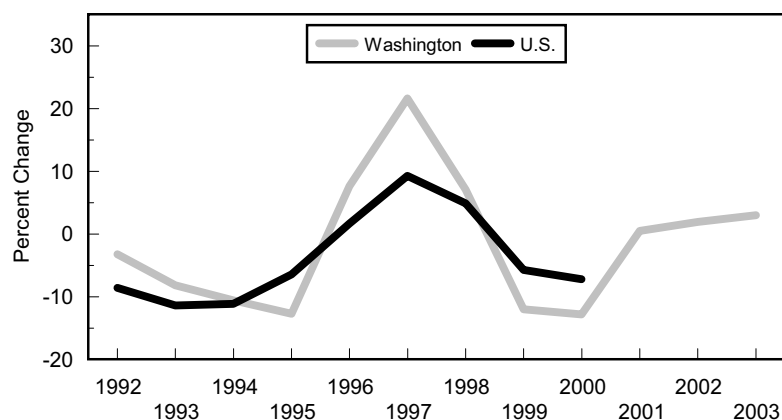
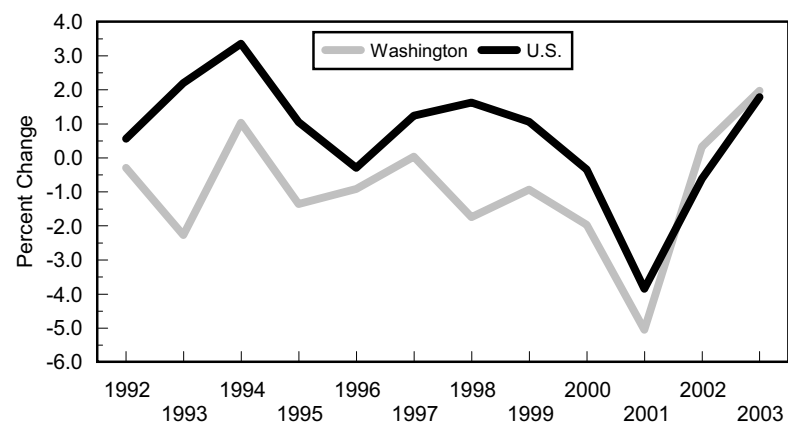


Chart 1.4
Forest Products Employment



Comparison of Washington and U.S. Economic Forecasts

Chart 1.5
Construction Employment

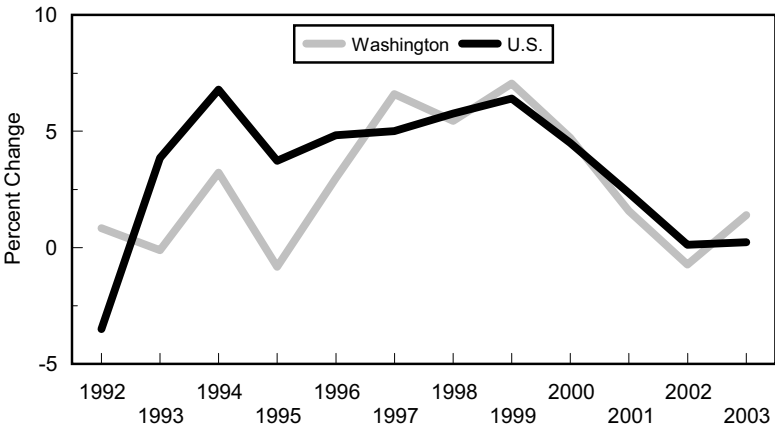


Chart 1.6
Trade Employment

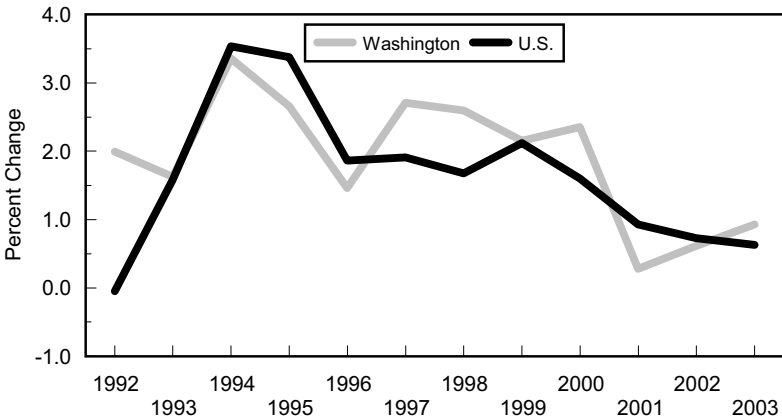


Chart 1.7
Services Employment

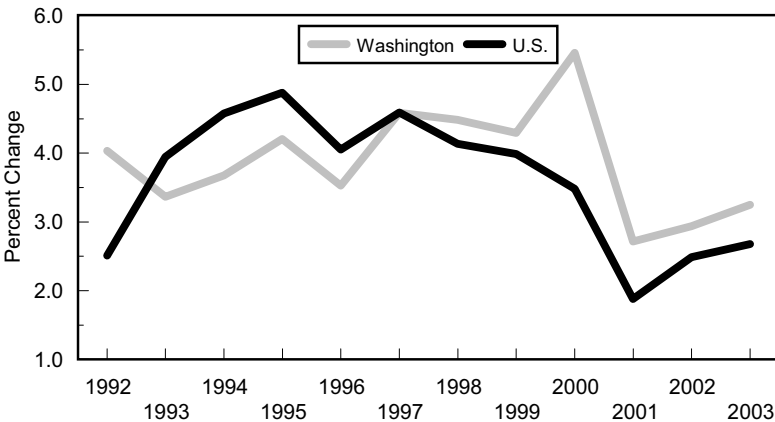
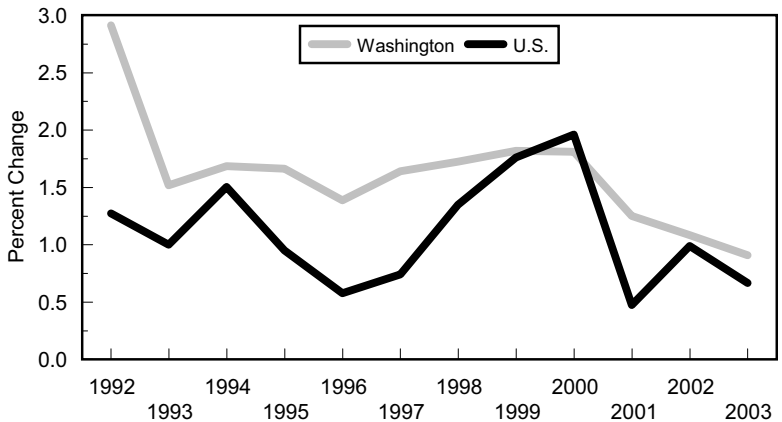


Chart 1.8
Government Employment



Comparison of Washington and U.S. Economic Forecasts

Chart 1.9
Real Personal Income

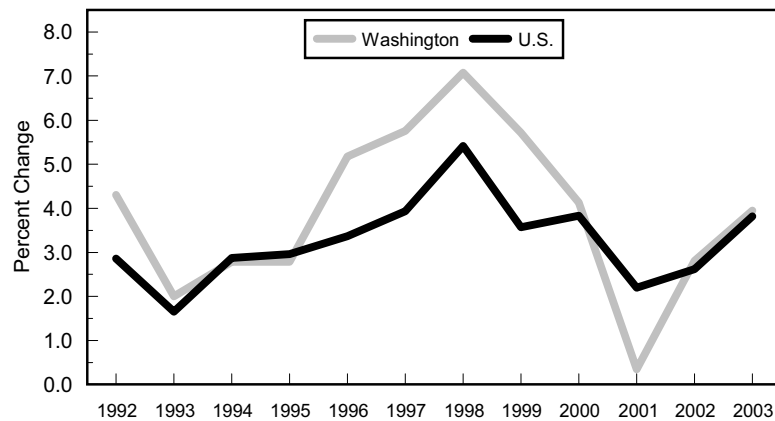


Chart 1.10
Consumer Price Indices

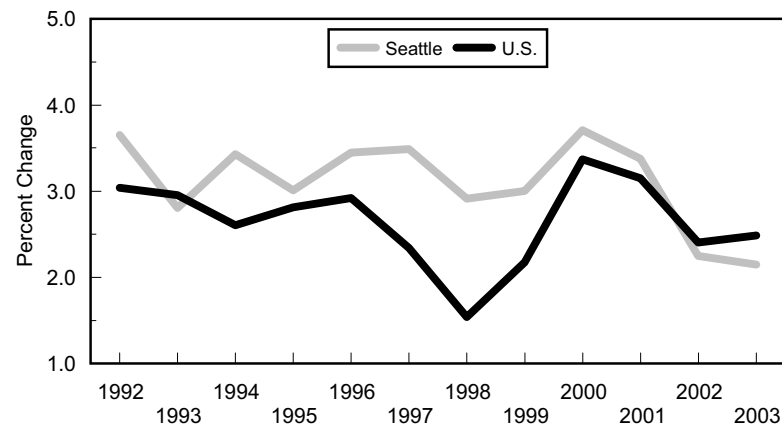


Chart 1.11
Population

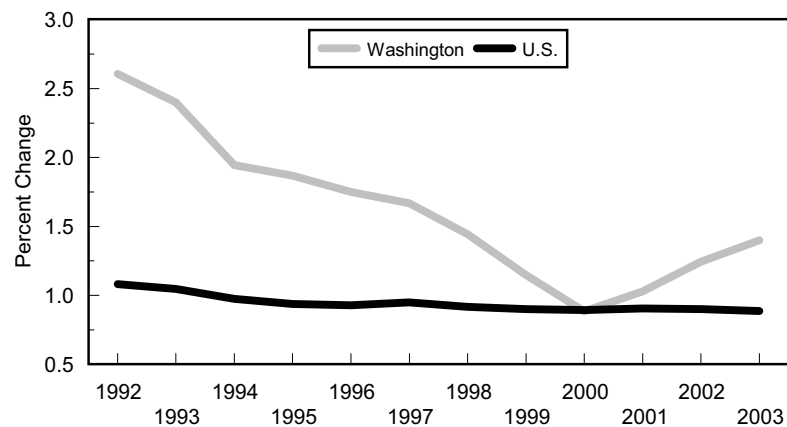
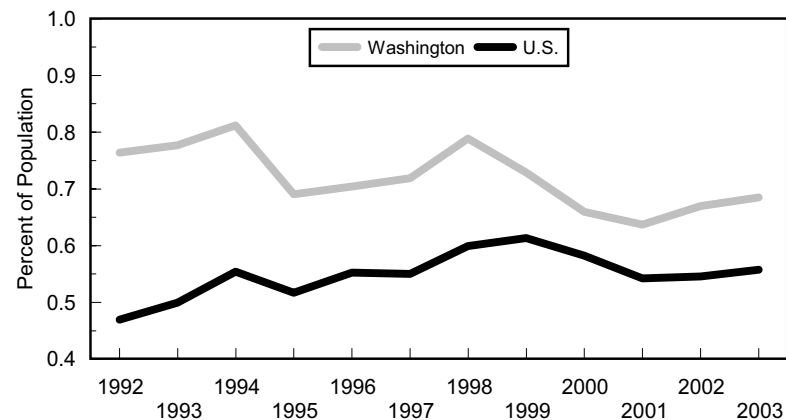


Chart 1.12
Per Capita Housing Units



Comparison of Alternative U.S. Forecasts

Chart 1.13
Real GDP

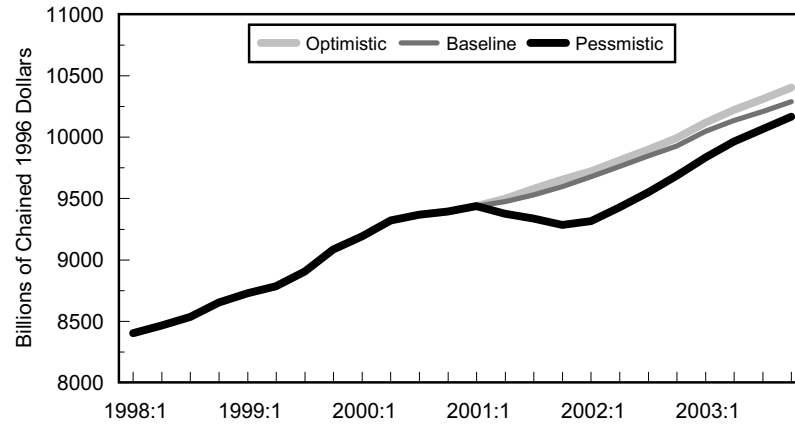


Chart 1.14
Implicit Price Deflator

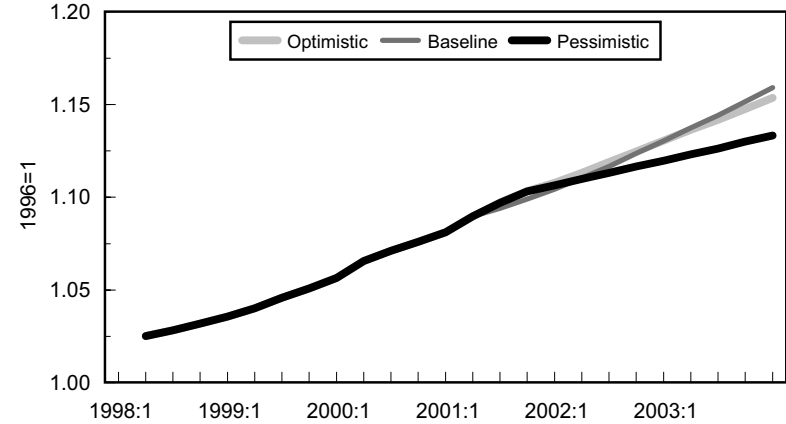


Chart 1.15
Mortgage Rate

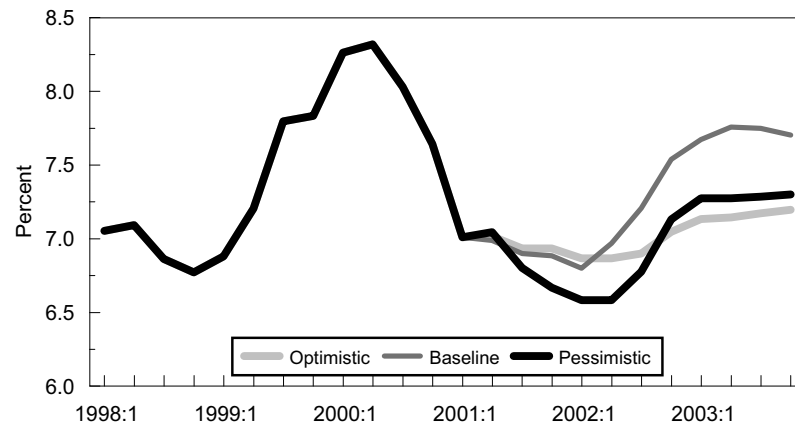
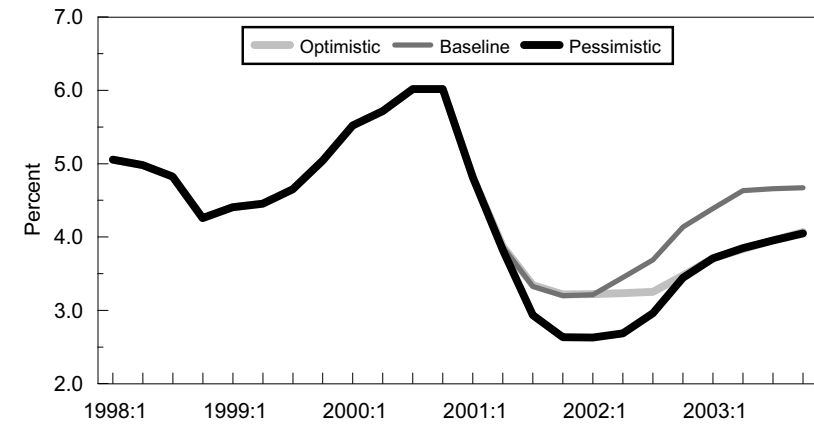


Chart 1.16
Three Month T-Bill Rate



Comparison of Alternative Washington Forecasts

Chart 1.17
Personal Income

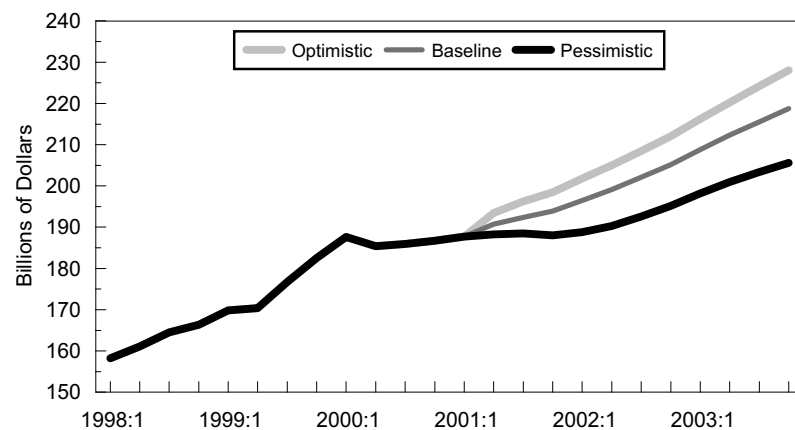


Chart 1.18
Real Personal Income

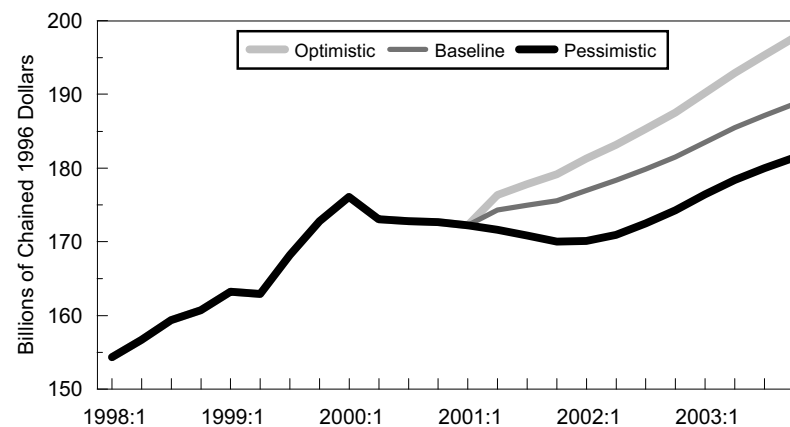


Chart 1.19
Nonagricultural Employment

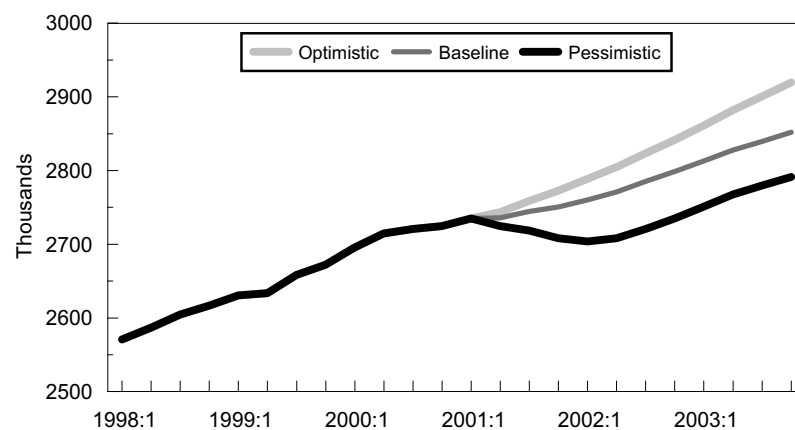
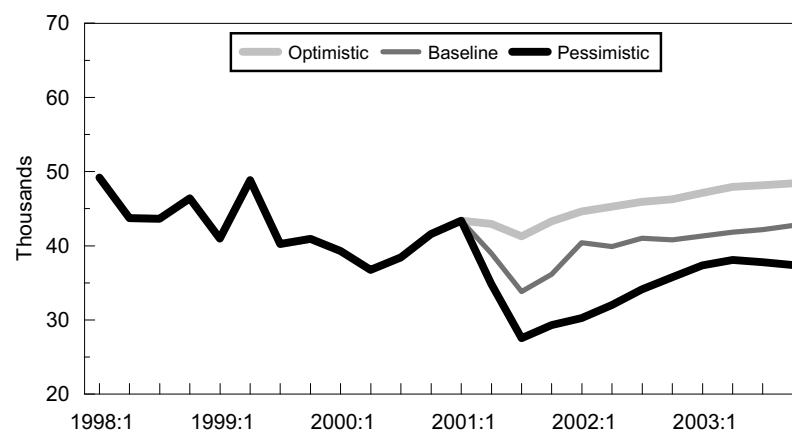


Chart 1.20
Housing Permits



Washington Business Indicators

The National Economy

The U.S. economy remained weak in the first quarter of 2001, with real gross domestic product (GDP) growing only 1.3 percent. Although this is better than the 1.0 percent increase in the last quarter of 2000, it is substantially below last year's 5.0 percent increase. Weak investment spending was the primary drag on first quarter GDP growth. Investment spending plunged in the first quarter, declining 13.3 percent, the largest decline since 1990. A weaker global outlook, softening domestic demand, and falling corporate profits have led to a significant retrenchment in capital outlays. Consumers, on the other hand, have remained more confident. Consumer spending increased 2.9 percent in the first quarter, although this is well below the 5.3 percent increase of the last two years, it indicates that consumers are still willing to spend despite a lot of negative economic news.

Recent data indicates continued weakness in the manufacturing sector. After hitting a cyclical peak in December of 1999, the National Association of Purchasing Management Index has fallen 13 of the last 17 months. The May 2001 index level is 42.1. An index reading below 50 indicates that manufacturing is generally contracting. An index level below 42.4 indicates that the overall economy may be contracting. Although the May index is up from a low of 41.2 in January, the index has been below 50 for ten consecutive months. Other indicators confirm slower economic growth. Wage and salary employment fell in both April and May. The 162,000 decline in April was the largest decline since 1991. Weak payroll employment has pushed the unemployment rate higher. The U.S. unemployment rate has increased from 4.0 percent at the end of calendar year 2000 to 4.4 percent in May. Although May's rate is down from 4.5 percent in April and is quite low by historical standards, it is likely to rise in the coming months. There is still good news on inflation. Prices have remained pretty stable although have started to creep up due in part to a sharp increase in energy costs. The consumer price index was up 0.3 percent in April and 0.4 percent in May. It was up 0.6 percent in January at the high point of the electricity and natural gas price spikes. Consumer prices increased 3.4 percent on average in calendar year 2000 and the May 2001 index is 3.6 percent above the year-ago level. While there may be an upward drift in prices, most economists see little inflationary pressure on the economy. Most feel that an economic downturn or a prolonged slowdown are a bigger concern for the economy. There is more good news regarding consumer spending. The Conference Board reported that its Index of Consumer Confidence rose for the second consecutive month in June. The index now stands at 117.9, up from 116.1 in May. The June index is the highest this year although it is well off of its all time high of 144.0 recorded early last year. The increase in June reduces the likelihood that consumers will cut-back spending signifi-

cantly in the immediate future. The Conference Board also reported that the U.S. Index of Leading Indicators increased 0.5 percent in May. While the index has now increased two of the past three months, there has been very little change in the index over the last six months. The May index stands at 109.3, this is only 0.2 percent above the November 2000 level. In May six of the ten indicators that make up the leading index increased, three decline and one was unchanged.

The Federal Open Market Committee (FOMC) again lowered its target for the federal funds rate at its June 27th meeting. The June cut was 25 basis points, lowering the target rate to 3-3/4 percent. The FOMC has aggressively cut interest rates since the first of the year. The June rate reduction is the sixth cut this year for a total of 2.75 percent. The federal funds target rate is now 3.75 percent, its lowest level since 1994. Although the June rate cut was only 25 basis points, the FOMC reiterated its belief that although there are signs that economic conditions are improving, “the risks are weighted mainly toward conditions that may generate economic weakness in the foreseeable future”. The June economic forecast expected a 25 basis point cut this month and expects one more cut this year.

The State Economy and Indicators

Washington wage and salary employment grew at a 1.6 percent annual rate in the first quarter of 2001. This was up from a weak 0.9 percent increase in the fourth quarter (adjusting for the distortion due to the layoff of temporary Census workers). The improvement in the first quarter was due to stronger growth in the non-manufacturing sector. Non-manufacturing employment increased 2.1 percent lead by strong growth in the construction sector. Service employment, however, increased only 1.4 percent. This was the weakest quarterly increase in service sector employment since 1993. The manufacturing sector remains weak, with employment falling 2.1 percent in the first quarter. Manufacturing employment has now declined eleven consecutive quarters after adjusting for the impact of the Boeing strike in the first quarter of 2000. The state's seasonally adjusted unemployment rate was 5.5 percent in May 2001. Although this is down from 5.8 percent in April, it is higher than the 5.0 percent rate reported in December 2000. Initial claims for unemployment insurance rose to 56,900 in May, confirming a weaker labor market. The May 2001 claims level is highest since early 1996.

The Tri-Cities reported the strongest year-over-year job growth in May 2001, with employment 2.6 percent higher than a year-ago. May job growth was also relatively strong in the Seattle PMSA, with employment up 2.0 percent from a year ago. The Yakima MSA reported a 1.6 percent increase in employment. The Tri-Cities, Seattle and Yakima were the only areas growing faster than the 1.0 percent statewide average in May job growth in Clark County was close, up 0.9 percent from a year ago. However, job growth in other parts of the state was weaker. In the Spokane MSA May employment was up 0.7 percent. In the Bellingham MSA employment was up 0.6 percent. In the Olympia MSA it increase 0.5 percent and employment grew only 0.1 percent in the Bremerton PMSA .May Employment declined 0.7 percent in the Tacoma PMSA.

Most other state economic indicators continue to signal a slowing economy. Average weekly hours in manufacturing fell in May 2001 to 39.9 from 40.5 in April. The May level is the weakest since 1995. The Washington Purchasing Management Index fell in May to 49.0 after rising above 50 in April. The index has been below 50 four of the last five months, confirming weakness in the manufacturing sector. Washington's boom monitor index fell to 43.4 in April 2001 from 48.9 in March. The boom monitor index is designed to signal when the Washington economy exceeds the

limit of sustainable growth. When the index exceeds 50, its long run average, the economy is considered to be expanding above trend; when it exceeds 70, one standard deviation from its long run average, the growth of the economy is considered unsustainable. The index has been below 50 for the last three months and is at its lowest level since 1996. Six of the seven components of the index were down in April.

The Washington Index of Leading Indicators also fell in May to 98.2 from 98.4 in April. The index has declined nine of the last ten months and is at its lowest level since February 1996. Three components of the index pushed the index down in May: an decrease in average weekly hours in manufacturing, and increase in initial claims for unemployment insurance and a decline in the index of help-wanted advertising.

*This is based on the most recent data from the Bureau of Economic Analysis (the preliminary GDP estimates for the first quarter of 2001 released May 25, 2001).

Washington State Economic Indicators

Chart 2.1
Year-over-Year Employment Growth
January 1980 to May 2001

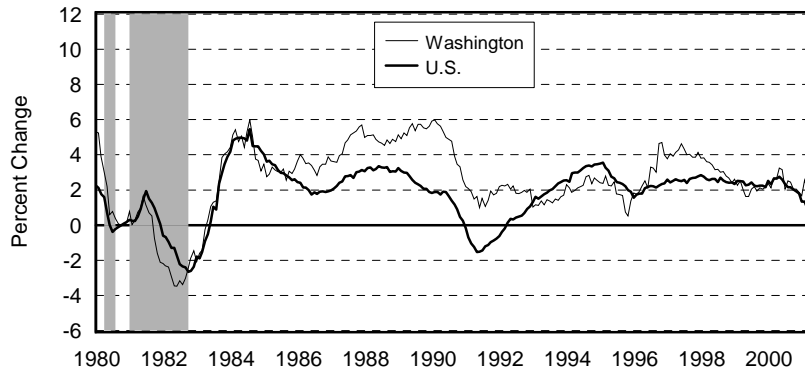


Chart 2.2
Washington Aircraft and Parts Employment
January 1958 to May 2001

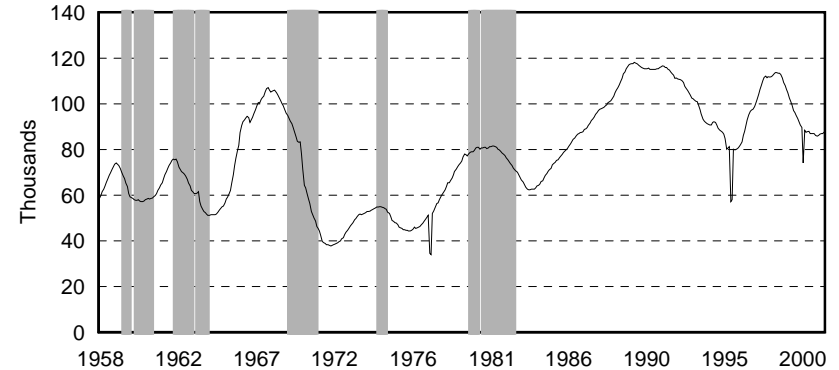


Chart 2.3
Unemployment Rate
January 1980 to May 2001

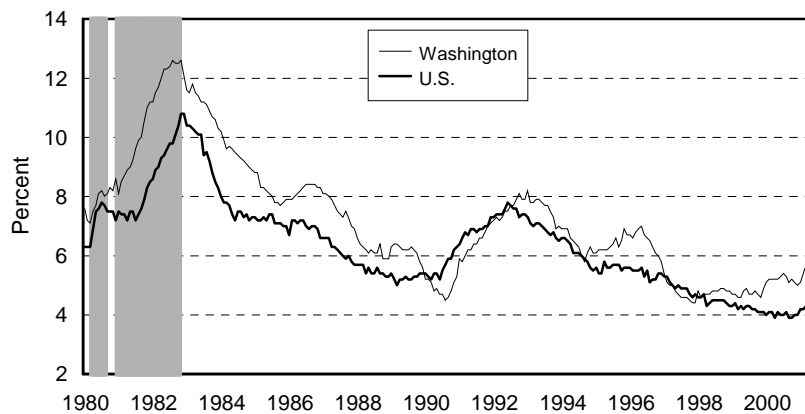
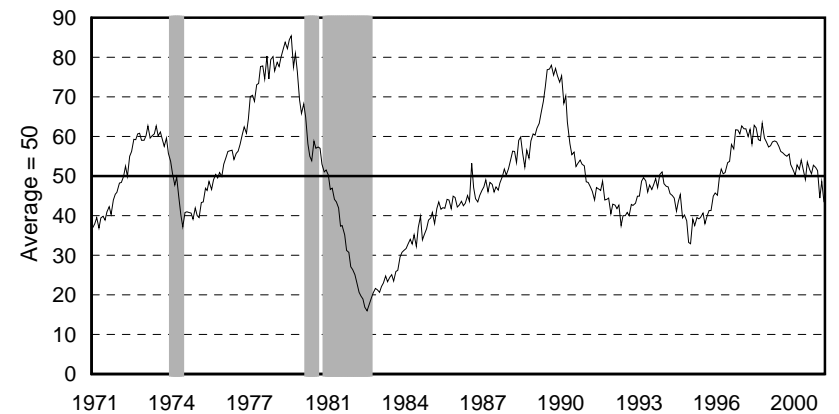


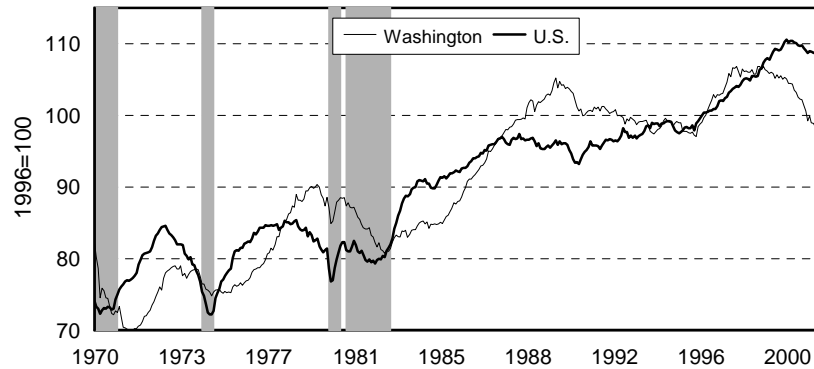
Chart 2.4
Washington Boom Monitor Composite Index
July 1971 to April 2001



* Shaded areas correspond with Washington employment downturns.

Washington State Leading Indicators

Chart 2.5
The Washington and U.S. Indexes of Leading Indicators
January 1970 to May 2001*



*The WA and US indexes were comprehensively revised in Apr. and Jan. 2001, respectively

Chart 2.6
Washington Initial Claims for Unemployment Insurance
January 1970 to May 2001

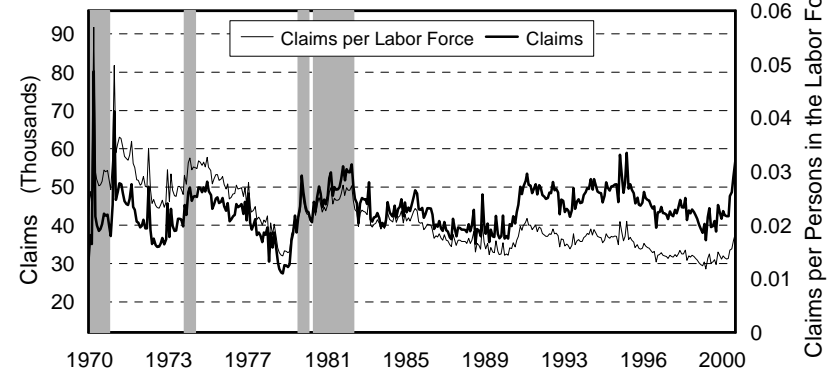
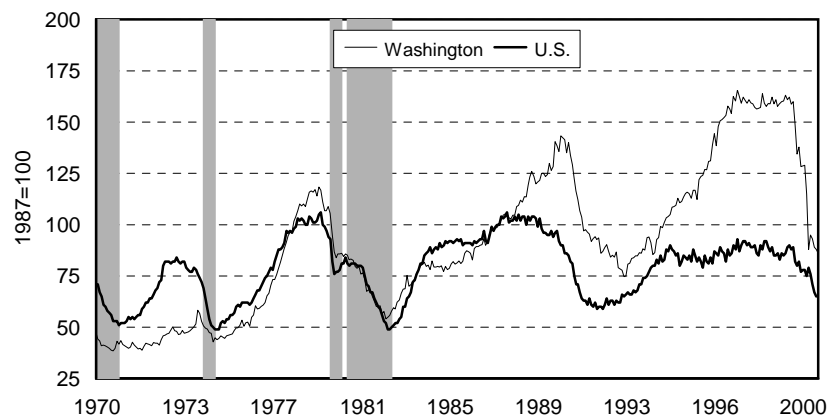
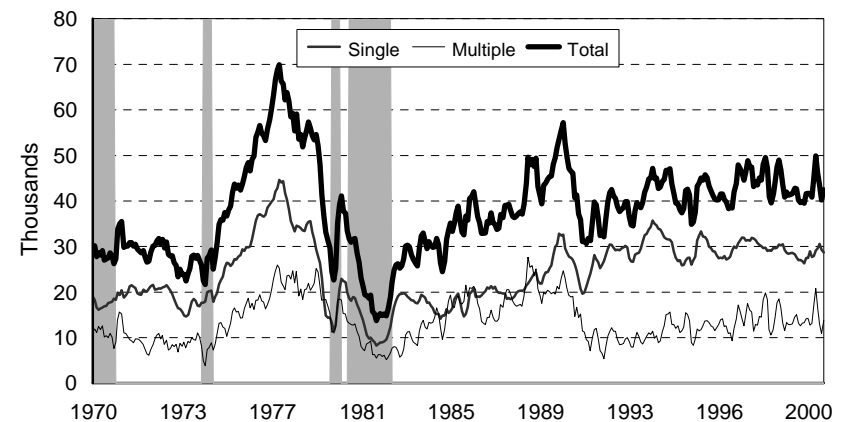


Chart 2.7
Seattle Times and U.S. Help-Wanted Advertising Indexes
January 1970 to May 2001



Shaded areas in all charts correspond with Washington employment downturns.

Chart 2.8
Housing Units Authorized in Washington State
January 1970 to May 2001, 3-Month Moving Average



Other State Economic Indicators

Chart 2.9
Average Weekly Hours in Manufacturing
 January 1970 to May 2001, 3-Month Moving Average, S.A.

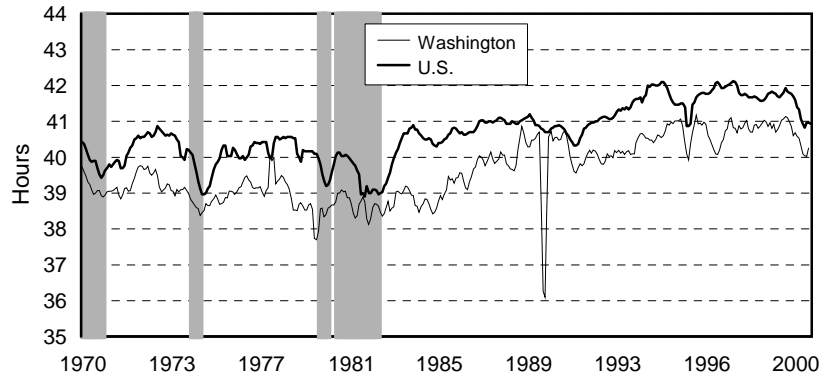


Chart 2.10
Washington Driver's License Migration
 September 1983 to May 2001, 12-Month Moving Average

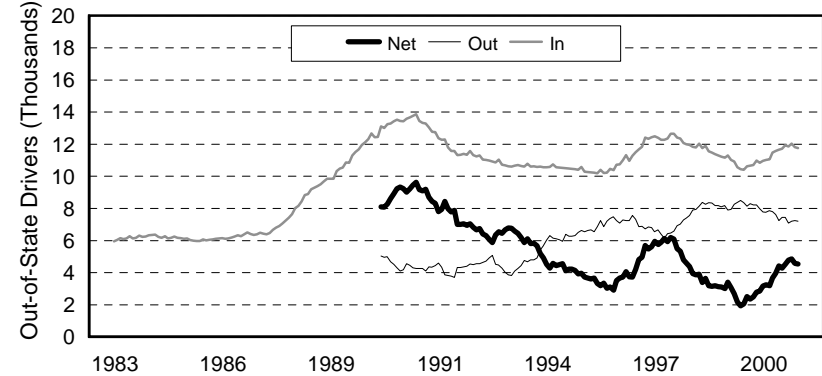


Chart 2.11
New Car and Truck Registrations in Washington
 January 1977 to April 2001, 6-Month Moving Average

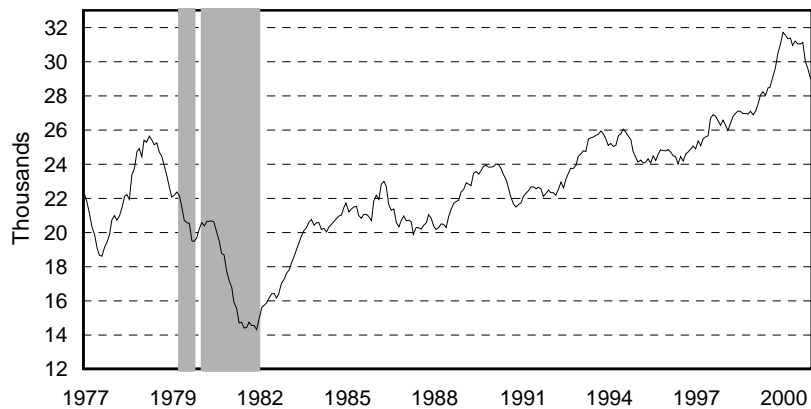
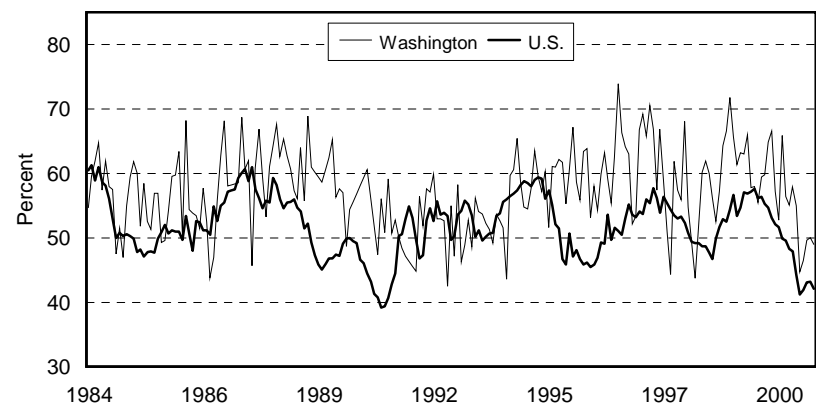


Chart 2.12
Purchasing Management Composite Index
 January 1984 to May 2001



* Shaded areas correspond with Washington employment downturns.

Other Economic Indicators

Chart 2.13
Quarterly U.S. Real GDP Growth
1970 Q1 to 2001 Q1

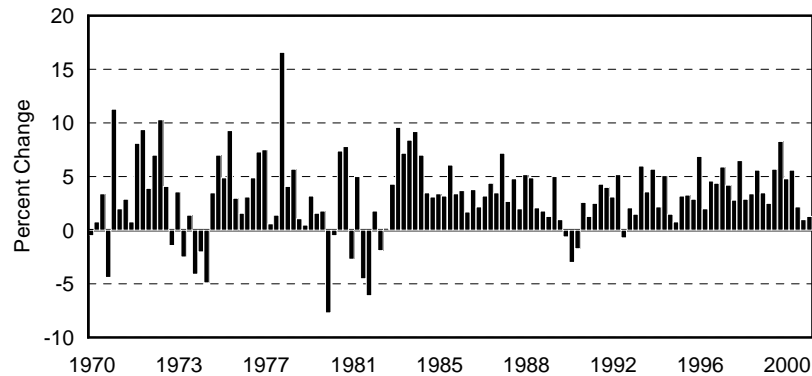


Chart 2.14
Washington State Export Composition*
Change from Same Quarter Year Ago

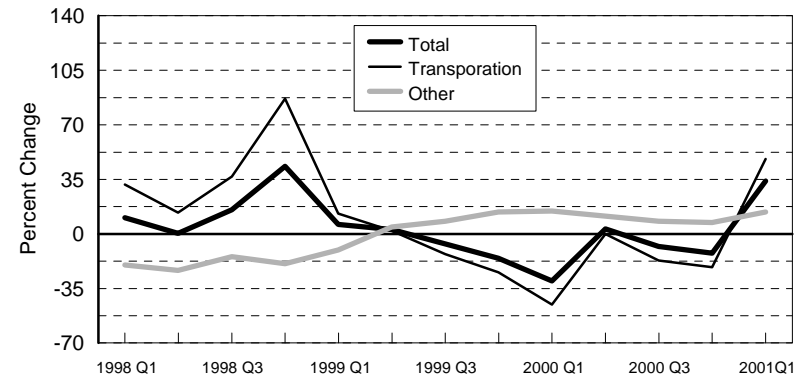


Chart 2.15
U.S. Economic Indicators
January 1970 to May 2001

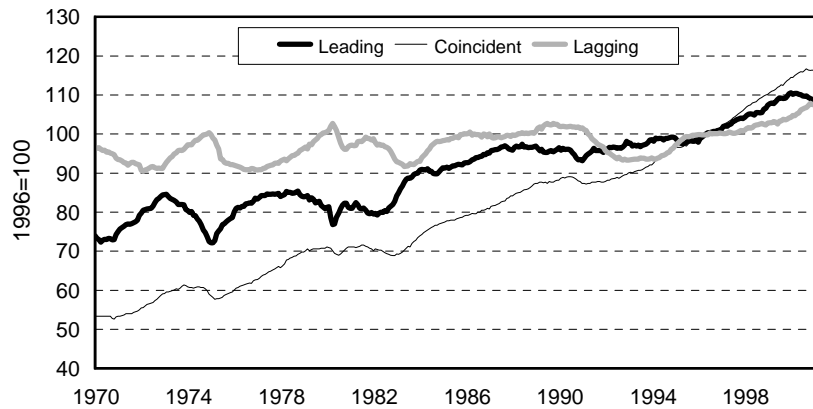
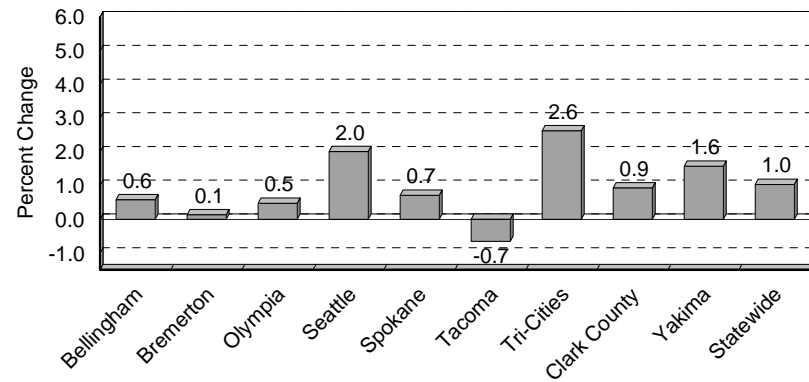


Chart 2.16
Employment Growth in Metropolitan Areas of Washington
May 2000 to May 2001 Change



* Comprehensively Revised May 2001

Other Economic Indicators

Chart 2.17
Federal Funds Target Rate
October 1990 to June 2001

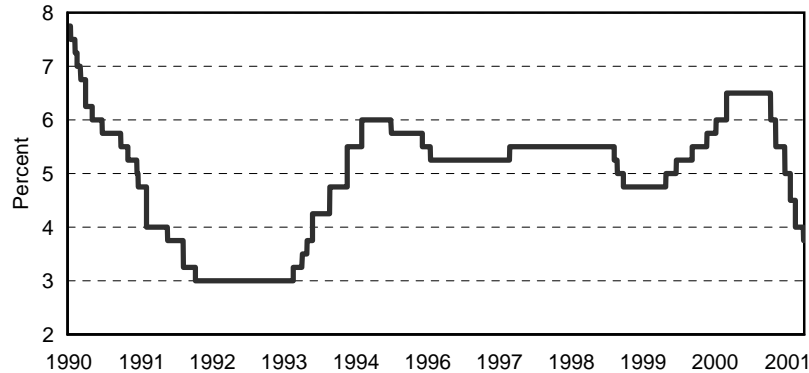


Chart 2.18
Consumer Confidence
January 1978 to June 2001

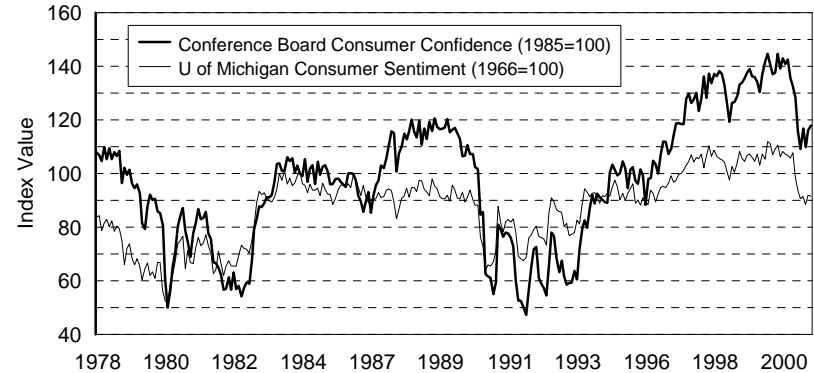


Chart 2.19
Seattle vs U.S. CPI (All Urban Consumers)
December 1998 to May 2001

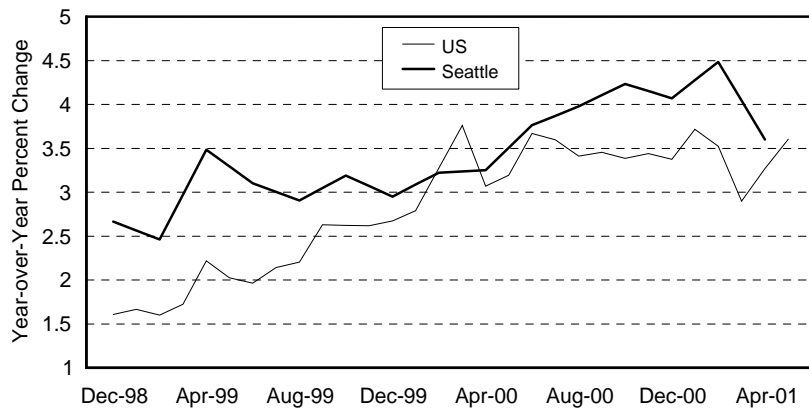
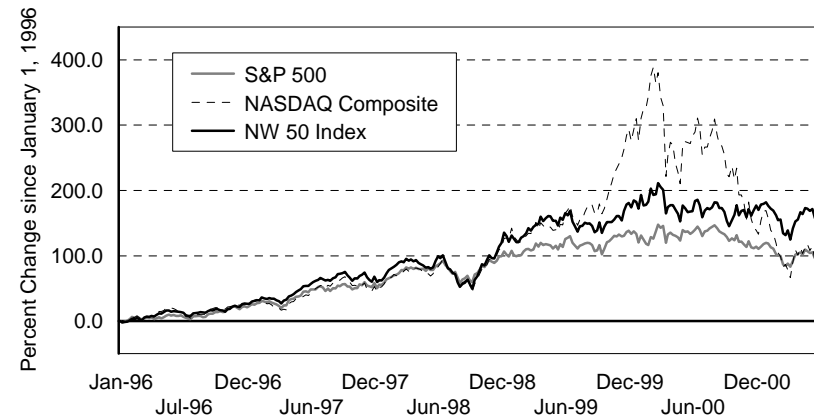


Chart 2.20
Northwest 50 Regional Stock Index vs. National Indices
January 1, 1996 to June 22, 2001



* Shaded areas correspond with U.S. business cycle contractions as defined by the National Bureau of Economic Analysis.

Table 2.1

Washington Business Indicators

Historical Data

	Washington Index of Leading Indicators	U.S. Index of Leading Indicators	Seattle Index of Help-Wanted Advertising	U.S. Index of Help-Wanted Advertising	Washington Purchasing Management Index	U.S. Purchasing Management Index
1999:01	106.8	107.4	159	92	52.5	49.9
1999:02	106.4	107.8	156	92	57.2	51.7
1999:03	106.2	108.0	158	89	64.3	52.9
1999:04	105.8	107.8	159	87	66.6	52.5
1999:05	106.0	108.3	160	89	71.8	54.4
1999:06	105.8	108.9	159	85	65.7	56.7
1999:07	105.2	109.3	161	85	61.4	53.4
1999:08	105.7	109.2	160	86	63.2	54.7
1999:09	105.2	109.1	159	83	63.0	57.1
1999:10	105.6	109.2	161	86	66.0	56.9
1999:11	105.1	109.7	162	85	57.8	57.2
1999:12	105.3	110.3	162	86	58.0	57.6
2000:1	105.1	110.6	160	89	55.5	56.2
2000:2	104.5	110.2	161	90	59.5	56.4
2000:3	104.5	110.4	158	88	59.8	55.3
2000:4	104.4	110.4	157	89	64.8	54.7
2000:5	103.5	110.2	148	82	66.5	53.1
2000:6	103.2	110.1	136	80	57.2	52.1
2000:7	102.5	109.8	137	82	52.7	51.7
2000:8	102.3	109.7	130	77	65.9	49.9
2000:9	102.2	109.8	130	78	56.4	49.6
2000:10	101.4	109.4	130	78	55.1	48.3
2000:11	100.6	109.1	115	75	57.9	47.9
2000:12	99.3	108.7	88	79	55.0	44.3
2001:1	99.9	109.0	95	76	44.7	41.2
2001:2	99.0	108.9	93	71	46.5	41.9
2001:3	98.8	108.7	89	67	49.6	43.1
2001:4	98.4	108.8	88	65	50.1	43.2
2001:5	98.2	109.3	86	NA	49.0	42.1

Washington State Revenue Forecast Summary

Introduction

The Economic and Revenue Forecast Council approved a \$143.7 million reduction to the General Fund-State (GFS) revenue forecast at its June 15, 2001 meeting. Although the economy is expected to avoid a recession for at least the next three years, the outlook for economic growth is slightly weaker than assumed in March. Also, revised employment and income data indicate that economic growth in the fourth quarter of 2000 and the first quarter of 2001 was weaker than was assumed three months ago. Less than expected collections since the March forecast confirms the belief that economic activity has slowed. While the weaker economic outlook combined with less than expected collections are the primary reasons for the lower GFS revenue forecast, tax law changes and the phase-out of the Federal estate tax also contributed to the lower forecast. The June 2001 change to the GFS forecast is relatively small. Prior forecasts had anticipated slower economic and revenue growth. The revenue outlook for the current biennium is down \$27.3 million from the March forecast while the forecast for the 2001-03 biennium was reduced \$116.4 million. The reduction this biennium reflects weaker economic and revenue growth than was expected in the March forecast. Collections in the past three months are \$14.3 million less than expected, accounting for about half of the reduction for the current biennium. The reduction next biennium is due to a combination of a weaker economic outlook and two non-economic factors. The weaker economy reduces the GFS forecast for next biennium by \$89.2 million. The two non-economic factors: 2001 legislation and the phase-out of the Federal estate tax are together expected to reduce GFS revenue \$27.2 million.

Nationally, economic growth remains weak. Real gross domestic product

Table 3.1
Revision to the General Fund-State Forecast
June 2001
(Millions of dollars)

	1999-01 Biennium	2001-03 Biennium	Total
Forecast Change	(\$27.2)	(\$89.2)	(\$116.4)
Non Economic Change ¹	(\$0.1)	(\$27.2)	(\$27.3)
Total Change*	(\$27.3)	(\$116.4)	(\$143.7)

¹ 2001 legislation (regular session) and the impact of the phase-out of the Federal estate tax.

*Detail may not add to totals due to rounding

(GDP) grew at a 1.3 percent annual rate (preliminary estimate) in the first quarter of 2001, about the same as the 1.0 percent gain in the last quarter of 2000. Although the growth of consumer spending has slowed from a very strong pace over last three years, the weak first quarter real GDP growth is entirely due to a plunge in investment spending. After several years of remarkably strong investment spending, a weaker global economy, softer domestic demand and falling corporate profits has resulted in a sharp retrenchment in capital outlays. Fortunately, consumers while perhaps a little more cautious are still spending. At the state level, both income and employment grew slower than expected in March and the weaker economy in the first quarter produced less revenue than expected. Despite the deceleration of economic and revenue growth in the last couple of quarters, revenue growth for the 1999-01 biennium as a whole is still expected to be, with the exception of the 1997-99 biennium, the best in ten years. General Fund-State revenue in the 1999-01 biennium is now expected to total \$21,285.0 million, \$1.7 billion more than in the 1997-99 biennium.

Less revenue for the remainder of the biennium has lowered the outlook for the 1999-01 GFS ending balance. Total resources for the 1999-01 biennium (revenue plus a beginning balance of \$462 million) are projected to exceed appropriations for the 1999-01 biennium by \$700.3 million. The June estimate of the 1999-01 ending balance is down from \$922.2 million in March. The reduction to the projected total ending balance estimate is due to a combination of the lower revenue forecast and higher appropriations due to the enactment of a 2001 supplemental budget. The total GFS unreserved ending balance is now projected to be \$599.7 million, \$33.3 million higher than in March. The June unreserved balance estimate is higher than in March despite a lower revenue forecast and higher appropriates because less reserves are expected to be transferred to the Emergency Reserve Fund. The combination of a lower revenue forecast and a higher estimate for the 601 expenditure limit, lowers the amount expected to be transferred to the Emergency Reserve Fund under provisions of Initiative 601 from \$377.7 million in March to \$221.6 million in June. The Emergency Reserve Balance on June 30, 2001 is now expected to total \$483.8 million.

The General Fund-State revenue forecast for the 2001-03 biennium, which begins July 1, 2001 is expected to total \$22,099.1 million. This is \$0.8 billion, 3.8 percent, more than the current estimate for the 1999-01 biennium. The June forecast for the 2001-03 biennium is \$116.4 million less than in March. While most of the reduction to the forecast reflects a weaker economic outlook, tax law changes and the phase-out of the Federal estate tax have also lowered the forecast. After several years of very strong economic growth, the economy is expected to take a breather in the 2001-03 biennium. Although the economy is expected to continue to expand, the pace of growth will be much slower than over the past few years. The period of strong double-digit increases in equity prices, large income gains due to the exercising of stock-options and soaring consumer confidence is not expected to be repeated in the 2001-03 biennium. In the near term, higher energy costs are also expected to be a drag on consumer and business spending. Slower economic growth will produce slower revenue growth in the 2001-03 biennium.

Background and Assumptions

The Washington State GFS revenue forecast is prepared quarterly in conjunction with the state economic forecast for the Economic and Revenue Forecast Council. The Economic and Revenue Forecast Council was created by Chapter 138, Laws of 1984, to provide an objective revenue forecast for both executive and legislative branches of state government. The Council consists of six members, two appointed by the Governor and two appointed by the Legislature from each caucus

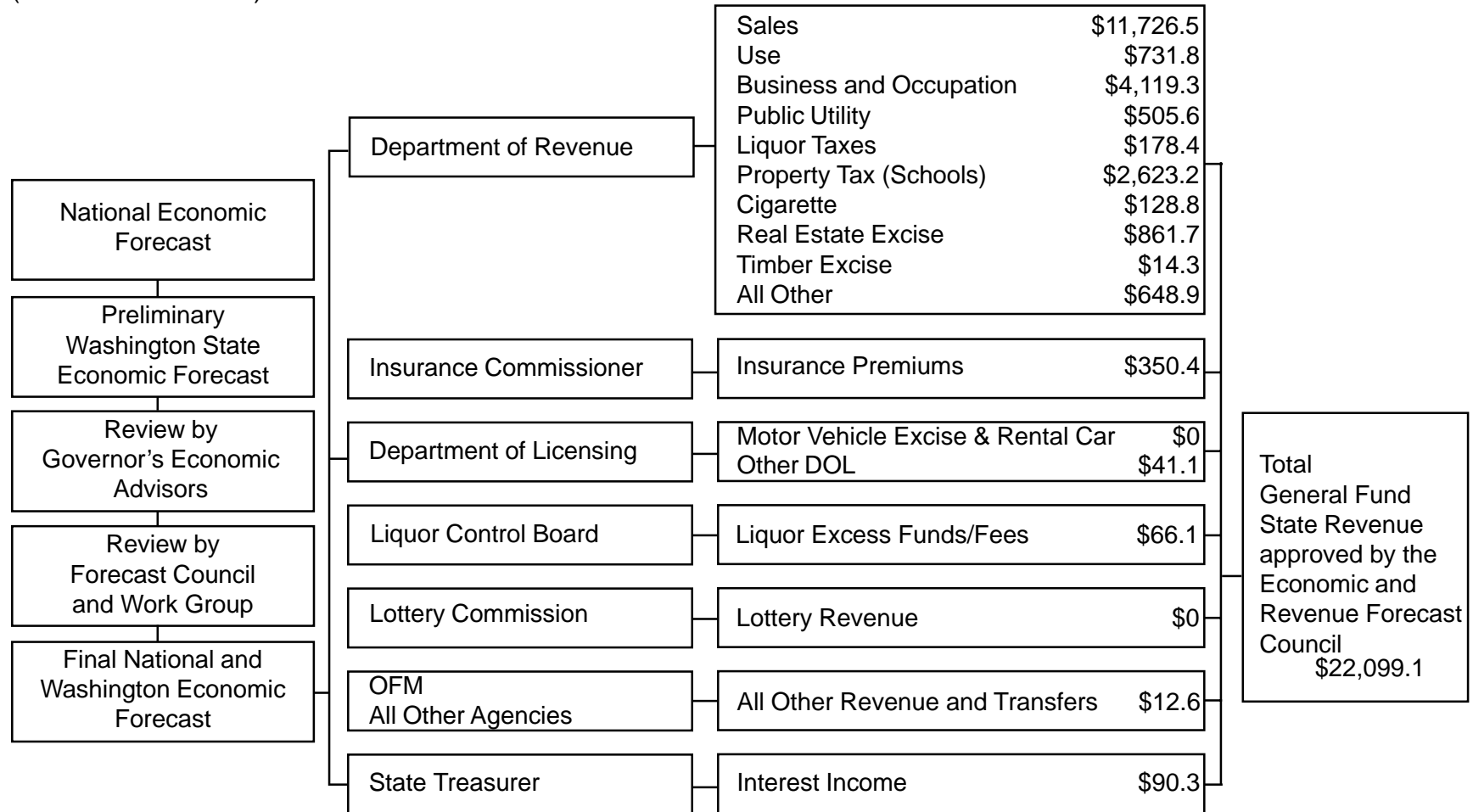
of the Senate and House of Representatives. Current members of the Economic and Revenue Forecast Council are listed inside the front cover of this publication. The GFS revenue forecast is updated four times per year: March (February in even-numbered years), June, September, and November. Each state agency engaged in revenue collection is responsible for forecasting the revenue it collects or administers. The staff of the Economic and Revenue Forecast Council is responsible for the preparation of the state economic forecast and the revenue forecast of the Department of Revenue's GFS sources. The staff is also responsible for review and coordination of the revenue forecasts of agencies that collect relatively large amounts of GFS revenue. These are the Department of Licensing, the Lottery Commission, the Office of the Insurance Commissioner, the State Treasurer, the Liquor Control Board and the Office of Financial Management. The Office of Financial Management is responsible for summarizing the forecasts of all other state agencies that collect relatively smaller amounts of GFS revenue.

For each quarterly update, the staff of the Economic and Revenue Forecast Council, under direction of the Executive Director, reviews (and if warranted, modifies) a national economic forecast prepared by Data Resources Incorporated (DRI). A state economic forecast is then prepared using an econometric model that links Washington's economy to the national economy. The DRI national forecast is the primary driver for the state economic forecast. After review by the Governor's Council of Economic Advisors, the economic forecast is used to prepare a baseline forecast of GFS revenue. Agencies and the staff of the Forecast Council use the economic forecast, in conjunction with revenue models, to prepare a GFS revenue forecast. The revenue forecasts for most major General Fund sources are prepared using econometric models which link the tax base of major General Fund taxes to the national and state economic forecast. A baseline revenue forecast, along with at least two alternative forecasts, is prepared for all GFS sources and presented to the Forecast Council for approval. Once the Council approves the forecast, it becomes the official forecast of GFS revenue. An outline of the forecast process, including a summary of the June baseline forecast for the 2001-03 biennium (cash basis) is shown in Table 3.2.

June 2001 Forecast Assumptions

1. The June 2001 GFS forecast is based on current law and administrative practices. The baseline revenue forecast for the 1999-01 and 2001-03 biennia is based on the economic forecast presented in Chapter 1 of this publication. The outlook for the state's economy and revenue is in part based on a modification of the May 2001 DRI Control Forecast for the U.S.
2. The June forecast includes the impact of tax law changes enacted during the 2001 regular legislative session and signed into law by the Governor. Legislation is expected to reduce GFS revenue by \$0.1 million during the remainder of the 1999-01 biennium and by \$7.5 million in the 2001-03 biennium. Table 3.12 provides a summary of the legislative changes to the GFS forecast.
3. The June 2001 GFS forecast for the 2001-03 biennium was adopted prior to the completion of a second special legislative session and prior to adoption of a final operating budget for the 2001-03 biennium. Any tax law changes and/or budget decisions affecting GFS revenue enacted during the 2001 special sessions will be incorporated in the GFS forecast in September.

Table 3.2
Economic and Revenue Forecast Flow Chart*
 General Fund-State
 2001-03 Biennium
 (Amounts in millions)



* Cash Basis

4. Under provisions of Initiative 728 lottery revenue are dedicated to a newly created Student Achievement Account and to the School Construction Account. Prior to Initiative 728, lottery revenue went to the General Fund. Although no longer part of the General Fund or the GFS revenue forecast, the lottery forecast will continue to be monitored by the Forecast Council. Part II of Table 3.19 shows lottery sales and distributions by fund.
5. Title V of the “Economic Growth and Tax Relief Reconciliation Act of 2001” phases out the Federal estate tax. Although most of the impact will occur after the 2001-03 biennium, the General Fund is expected to lose \$19.7 million in estate tax receipts in fiscal 2003 due to this legislation.
6. There are several legal challenges to various aspects of the state’s tax laws or administration. Most of these challenges are in litigation and either have not yet been ruled on by the courts or are on appeal. Any impact on GFS receipts will not be incorporated into the forecast until the issue has been completely resolved.
7. Revenue from higher education tuition and fees was removed from the General Fund in July 1992. Since 1992, revenues from tuition and fees have been placed into the operating fund of each individual college or university. Because of this change, there is a major discontinuity in the time series of GFS revenue beginning with the 1991-93 biennium. Tuition and fees are included in only one year of the 1991-93 biennium’s GFS revenue total and are excluded from total GFS revenue after fiscal year 1993.
8. There have been several legislative and other non-economic changes affecting actual receipts for the last few biennia as well as the forecast for the 1999-01 biennium. GFS receipts in the 1991-93 biennium include \$179 million due to tax law changes. Revenue collected in the 1993-95 biennium were a net \$330 million higher than they otherwise would have been as a result of action by the Legislature. Receipts for the 1995-97 biennium were reduced \$671 million due to legislation. Receipts for the 1997-99 biennium were reduced by \$549 million due to legislation enacted during the 1996, 1997 and 1998 legislative sessions. As of June 2001, new legislation and other non-economic changes (e.g. referendum 49) have reduced GFS revenue for the 1999-01 biennium by \$568 million.

Recent Collection Experience

Both economic and revenue growth in the first quarter slowed more than expected in the March forecast. As a result, GFS collections were \$14.3 million, 0.6 percent, less than expected in the three months since the last forecast. Revenue Act taxes (retail sales, business and occupation, use, public utility, and tobacco products taxes), which are the revenue sources most dependent on the strength of the economy, were \$20.9 million less than anticipated, accounting for more than the total shortfall. Weak sales tax receipts were the principal source of the shortfall. Revenue Act aside, collections were a little better than expected in the last three months. Other major GFS taxes collected by the Department of Revenue were \$1.2 million higher than forecast due to strong real

estate excise tax receipts in May and higher than expected estate tax payments in two of the last three months. In addition, lottery transfers to the General Fund the last three months were \$5 million higher than expected.

Not surprisingly revenue growth has slowed. The growth of Revenue Act receipts (adjusted for special factors) increased only 1.4 percent in the three months since the March forecast. Receipts in this period (March 11 through June 10) primarily reflect February through April 2001 business activity. Revenue growth has decelerated from 3.9 percent in the third quarter and 5.2 percent in the fourth quarter of 2000. Revenue Act receipts were 2.7 percent above the year-ago period in the first quarter of 2001 and would have been considerably weaker except for a very strong January. Growth was surprisingly robust in January 2001, up 8.4 percent from a strong year-ago level. Growth plummeted in February and March. In February the year-over-year increase in Revenue Act receipts was just 0.5 percent. In March it was just 0.3 percent. Some weakness was expected given a year-strong year-ago period and slower economic growth in the first quarter of 2001. Growth picked up a bit in April, with receipts 3.7 percent higher than a year-ago. Although the economy is likely at or near a bottom in terms of the economic cycle, Revenue growth is expected to remain weak over the next few months. Rebate checks in the third quarter may boost spending a little, but weak employment growth will likely produce only a moderate rebound in revenue growth.

Preliminary data on excise tax payments for the most recent monthly collection period (April 11 to May 10) indicates weakness in most major sectors of the economy. Two notable exceptions were the service sector and the utilities, transportation and communications sectors. These sectors reported strong growth in tax payments. The transportation, communications and utilities sector reported a 9.4 percent increase, most likely due to higher public utility tax payments related to higher prices for natural gas and

Table 3.3

Collection Variance, March 11 - June 10, 2001

Based on the March 2001 Forecast

(Millions of dollars)

Agency/Source	Collection Variance*	Percent of Estimate
Department of Revenue		
Revenue Act ¹	(\$20.9)	(1.1%)
Non Revenue Act ²	\$1.2	0.2%
Subtotal	(\$19.8)	(0.8%)
Department of Licensing ²	\$0.4	5.9%
Lottery Commission ²	\$5.0	30.5%
Total**	(\$14.3)	(0.6%)

¹ Revenue Act taxes consists of retail sales, business and occupation, use, public utility and tobacco products taxes as well as penalty and interest receipts. The variance is based on collections March 11, 2001 through June 10, 2001.

² Variance based on March 2001 -May 2001 collections.

Major Non-Revenue Act sources include: state property tax levy, real estate excise tax and estate tax.

* Collection variance: actual tax payments compared to monthly estimates based on the March 2001 forecast.

** Detail may not add to total due to rounding.

power. The service sector reported an 11.3 percent increase. Other sectors reported declines, mostly in the low to mid single-digit range. The exception was the heavy construction sector, which reported a 16.9 percent decline. The retailing sector, which accounts for about half of all Revenue Act tax payments, was weak, down 2.5 percent. Within the retailing sector, all but two two-digit SIC groups reported declines; the exceptions were food stores and miscellaneous retailers. The auto sector reported a 9.5 percent decline in tax payments while the general merchandise sector reported a 1.0 percent decline.

Real estate activity based on real estate excise tax payments was up 6.6 percent statewide in the three months since the March forecast. This was stronger than anticipated and produced \$4.0 million more real estate excise tax payments than expected. Real estate activity was up modestly in the latest month, April 2001 (closings in April reflecting payments to the state in May). Taxable activity was up 1.8 percent statewide, with transactions up 7.1 percent, while the average price per transaction fell 4.9 percent. The increase in March was much higher, up 25.2 percent due primarily to several unusually large transactions. Activity declined 12.4 the previous month. Mortgage rates have fallen over the last year and are projected to drop a little more in the second half of calendar 2001, which should boost real estate activity. However, with the economy slowing, the period of rapidly appreciating housing prices appears to be over. This is likely to slow the growth of taxable values offsetting at least some of the expected stimulus due to lower rates.

General Fund-State taxes collected by the Department of Licensing (primarily revenue from licenses and fees) were \$0.4 million above the March forecast for the last three months. During the three-month period since the March forecast, Department of Licensing General Fund collections were 6.6 percent above the year-ago level. Lottery transfers to the General Fund were \$5.0 million above the forecast since March. For the last three months, Lottery GFS deposits were 22.9 percent below a year ago, although for fiscal 2001 year-to-date, lottery transfers are well above, 27.5 percent, last year's level. Table 3.3 summarizes GFS collection experience since the November forecast.

The General Fund-State Forecast for the 1999-01 and 2001-03 Biennia

The June GFS revenue forecast for the 1999-01 biennium is \$21,285.0 million. This is \$1.7 billion (8.5 percent) higher than receipts in the 1997-99 biennium. GFS revenue increased 11.2 percent in the 1997-99 biennium. Revenue growth in the current biennium is weaker than the 1997-99 biennium because economic growth is slowing and because of tax law changes. Although state economic growth in the 1999-01 biennium has been stronger than the U. S. average, and for the most part stronger than its long run average, it is, nevertheless weaker than last biennium. Statewide, employment is expected to increase 4.5 percent in the 1999-01 biennium, well below the strong 7.1 percent increase in the 1997-99 biennium. Similarly, personal income growth in the 1999-01 biennium is slower than in the 1997-99 biennium. The slower income and employment growth this biennium is in part due to a weak aerospace sector which saw employment decline during much of the biennium. Population growth is also a little weaker. Various tax law changes and reporting differences understate the increase in GFS revenue for the 1999-01 biennium. For example, the business and occupation tax rate on most services was lowered from 2.5 percent to 1.5 percent in fiscal 1999. Thus, service activity subject to the business and occupation tax is taxed at the lower 1.5 percent rate for the entire 1999-01 biennium but was taxed at the 2.5 percent rate for only half of the 1997-99 biennium. Biennial revenue growth also is affected by the passage of

Referendum 49, which removes the motor vehicle excise tax from the General Fund, reducing GFS revenue for six months of the 1997-99 biennium but for the entire 1999-01 biennium. Adjusting for these and other major sources of discontinuity, the growth rate for the 1999-01 biennium is 12.2 percent. This is, with the exception of last biennium's 14.5 percent adjusted increase, the strongest growth since the 1989-91 biennium.

The June 2001 outlook for the 2001-03 biennium continues to assume modest economic and revenue growth. The economy is expected to avoid a recession. However, the rate of growth is expected to be a little weaker than anticipated in prior forecasts and slower than in the 1999-01 biennium. Weaker growth nationally will slow Washington's economic and revenue growth. In addition, the Washington aerospace sector, while not expected to be a drag on economic growth, is not expected to be much of a stimulus in the 2001-03 period either. The forecast of GFS revenue for the 2001-03 biennium is now expected to total \$22,099.1 million. This is \$0.8 billion, 3.8 percent, above the current forecast for the 1999-01 biennium. The 3.8 percent revenue increase expected for the 2001-03 biennium is weaker than the 8.5 percent currently expected this biennium due to slower economic growth and because GFS revenue in the 2001-03 biennium has been significantly reduced due to various tax law changes, primarily, the passage of Initiative 728. Revenue growth in the 2001-03 biennium after adjusting for the impact of major tax law changes is 6.2 percent, still significantly below the 12.2 percent adjusted growth expected in the 1999-01 biennium. Real revenue growth of major excise taxes in the 2001-03 biennium is forecast to be significantly weaker than the growth expected for the 1999-01 biennium but similar to that of the 1993-95 and 1995-97 biennia.

Table 3.4 General Fund-State Collections* (Millions of dollars)				Cash Basis
Biennium	Current Dollars	Percent Change	1996 Chained Dollars	Percent Change
1961-63	\$817.1		\$3,362.6	
1963-65	866.2	6.0%	3,478.7	3.5%
1965-67	1,128.6	30.3%	4,357.5	25.3%
1967-69	1,440.5	27.6%	5,200.4	19.3%
1969-71	1,732.7	20.3%	6,188.5	19.0%
1971-73	1,922.1	10.9%	6,345.8	2.5%
1973-75	2,372.4	23.4%	6,772.5	6.7%
1975-77	3,395.0	43.1%	8,445.1	24.7%
1977-79	4,490.0	32.3%	9,785.8	15.9%
1979-81	5,356.4	19.3%	9,716.5	-0.7%
1981-83	6,801.4	27.0%	10,729.6	10.4%
1983-85	8,202.4	20.6%	11,952.7	11.4%
1985-87	9,574.6	16.7%	13,127.7	9.8%
1987-89	10,934.1	14.2%	13,919.4	6.0%
1989-91	13,309.0	21.7%	15,561.1	11.8%
1991-93	14,862.2	11.7%	16,237.3	4.3%
1993-95	16,564.6	11.5%	17,296.8	6.5%
1995-97	17,637.7	6.5%	17,638.8	2.0%
1997-99	19,620.1	11.2%	19,020.5	7.8%
1999-01 ^F	21,285.0	8.5%	19,833.7	4.3%
2001-03 ^F	22,099.1	3.8%	19,718.1	-0.6%

^F June 2001 Forecast

* Total General Fund-State collections-cash receipts basis. Includes rate, base and administrative changes. Modified cash basis: 1985-87 and prior; pure cash basis: 1987-89 and after. Changes among biennia may not be comparable because the collection totals shown here include the impact of rate, base and administrative changes.

Sources: Dept. of Revenue and the Office of Financial Management.
The Office of the Forecast Council's June 2001 Forecast.

Washington has no personal or corporate income tax. Three taxes: sales and use, business and occupation and the property tax (state school levy), comprise the majority of Washington's total GFS revenue. These three taxes accounted for more than 83 percent of the \$19.6 billion total GFS cash receipts in the 1997-99 biennium. This percentage rises to 85.2 percent of total GFS revenue in the 1999-01 biennium and to 86.9 percent in the 2001-03 biennium. The jump in the 1999-01

Chart 3.1
General Fund-State Revenue

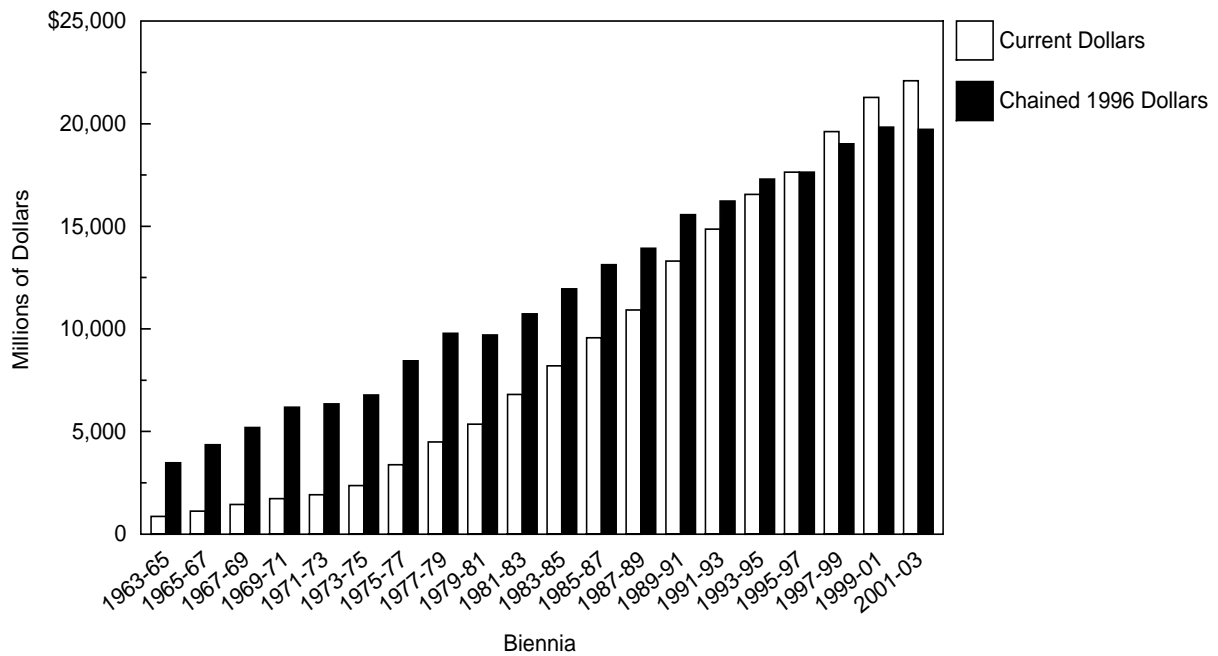


Chart 3.2
General Fund-State Revenue - Percent Change

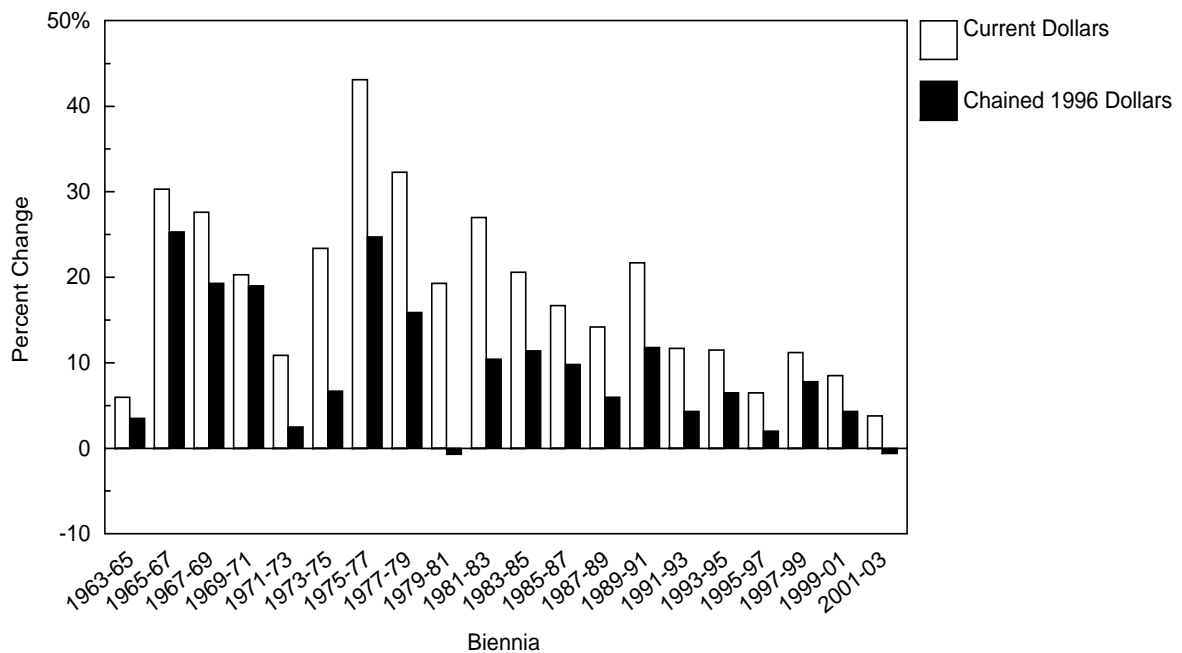


Chart 3.3
Composition of General Fund-State Revenue

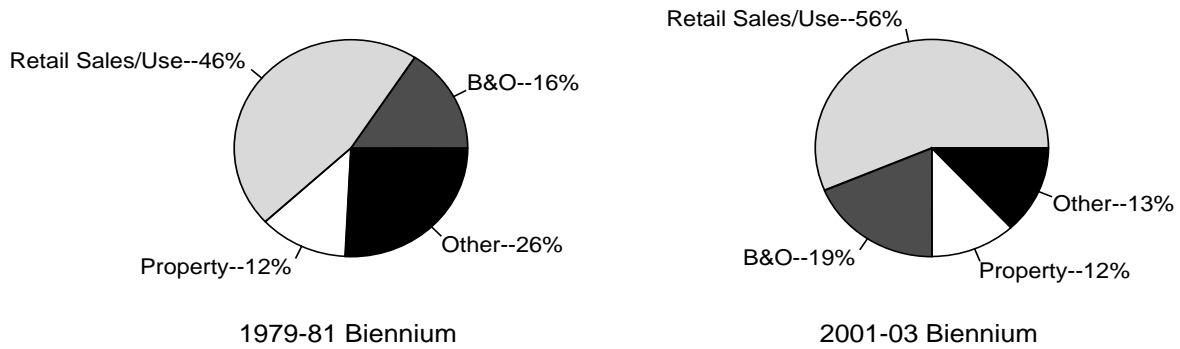
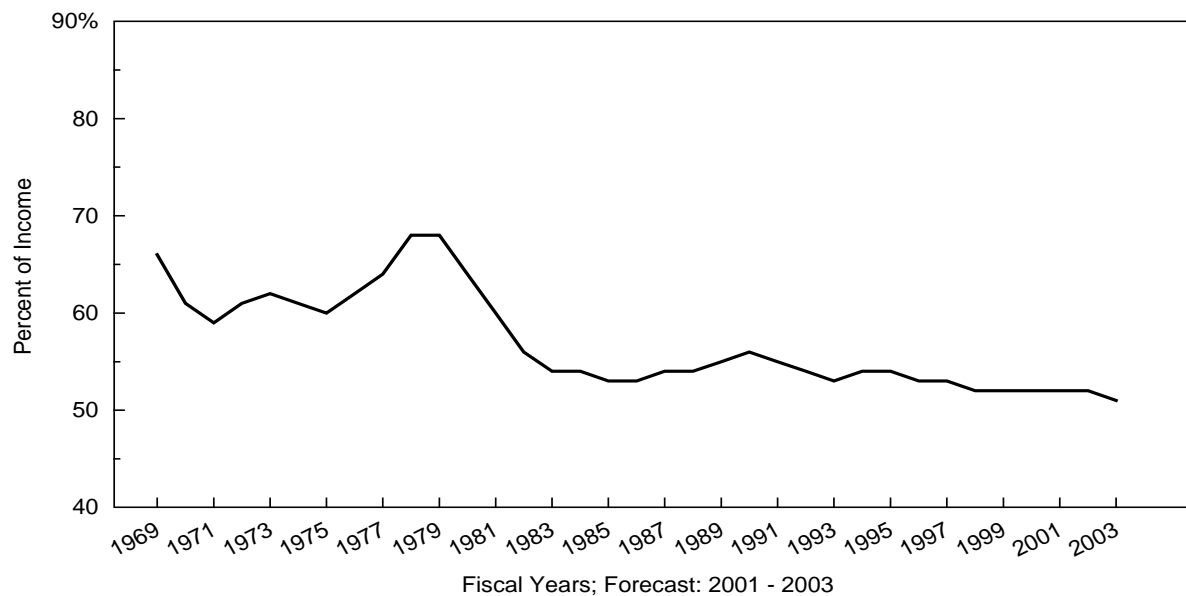


Chart 3.4
Taxable Sales* as a Percent of Personal Income



* Adjusted Base

biennium is primarily due to the removal of motor vehicle excise tax revenue from the General Fund as a result of Referendum 49. The jump in the 2001-03 biennium is primarily due to the re-disposition of lottery proceeds from the General Fund to the Student Achievement Account and the School Construction Account under provisions of Initiative 728. The state's reliance on sales, business and occupation, and property taxes has increased over time, rising from 80 percent in the 1991-93 biennium and from 75 percent twenty years ago. The retail sales and use tax, the state's largest revenue source generated \$10.3 billion, 52.4 percent of total GFS revenue in the 1997-99 biennium. Sales and use taxes are expected to produce \$11.7 billion, 55.1 percent of total GFS revenue in the 1999-01 biennium and \$12.5 billion, 56.4 percent of the total in the 2001-03 biennium. The business and occupation tax totaled \$3.6 billion in the 1997-99 biennium, 18.4 percent of total GFS revenue. This tax is expected to produce \$3.8 billion, 17.7 percent of the total, for the 1999-01 biennium and \$4.1 billion, 18.6 percent of the total, in the 2001-03 biennium. The property tax totaled \$2.5 billion, 12.5 percent of total GFS revenue in the 1997-99 biennium. It is forecast to produce \$2.7 billion in the 1999-01 biennium and \$2.6 billion, 11.9 percent of total GFS revenue in the 2001-03 biennium. The reduction in the property tax share of total GFS receipts reflect the impact of I-728 which transfers a portion of the state levy from the General Fund to the Student Achievement Account under provisions of I-728.

The growth of taxable sales (sales subject to the state 6.5 percent retail sales tax) decelerated in the fourth quarter of 2000. Taxable sales were 3.9 percent above the year-ago level in the last quarter of 2000, down from 5.2 percent in the third quarter and 6.8 percent in the second quarter of 2000. A slowdown in spending was expected. The 3.9 percent increase in the fourth quarter was actually a little better than the 3.6 percent increase that was assumed in the March forecast.

Analysis of growth of taxable sales in the fourth quarter of 2000 shows the retail trade sector, which accounts for about half of all taxable sales, was up 4.2 percent, a little better than the overall

Table 3.5

Taxable Retail Sales*

June 2001 Forecast

(Millions of Dollars)

Fiscal Year	Amount	Percent Change
1974	11,877	
1975	13,380	12.7%
1976	15,493	15.8%
1977	17,626	13.8%
1978	21,121	19.8%
1979	22,309	5.6%
1980	24,057	7.8%
1981	25,197	4.7%
1982	26,097	3.6%
1983	29,368	12.5%
1984	29,156	-0.7%
1985	30,687	5.3%
1986	32,158	4.8%
1987	34,647	7.7%
1988	37,452	8.1%
1989	41,429	10.6%
1990	47,183	13.9%
1991	49,812	5.6%
1992	53,189	6.8%
1993	55,319	4.0%
1994	59,009	6.7%
1995	61,927	4.9%
1996	62,817	1.4%
1997	66,748	6.3%
1998	72,059	8.0%
1999	77,197	7.1%
2000	83,385	8.0%
2001 ^F	86,000	3.1%
2002 ^F	88,963	3.4%
2003 ^F	93,308	4.9%

^F Forecast.

* Actual Base. Includes statutory and administrative changes to the tax base. Historical fiscal year data are from quarterly taxable sales reported by taxpayers on the state's Combined Excise tax return. Major base changes include: exemption of off-premises food, beginning 1978:3 (fiscal 1979); extension of the sales tax base to off premises food (1982:2 to 1983:2); food again exempt 1983:3 (fiscal 1984). Base extended to some personal services effective July 1994. Exemption of manufacturing equipment effective fiscal 1996. Additional sales tax exemptions (including an exemption for R&D equipment) effective fiscal 1997. Changes in reporting, effective 1997. Additional exemptions effective fiscal 1999, 2000, 2001 and 2002.

total. This was the weakest year-over-year increase since the second quarter of 1996. Retailing was led by a 5.9 percent increase reported by the auto/gasoline sector and 5.3 percent increases in the furniture and household equipment and miscellaneous retailing sectors. All other two-digit retail sectors reported fourth quarter increases in the 3.5 percent to 5.0 percent range. Overall, taxable sales reported by non-retailing sectors increased 3.7 percent. Activity varied widely among sectors. The increase in taxable sales reported by the contract construction sector was above average, at 8.0 percent. This is similar to growth in the third quarter but is only about half as fast as earlier in the year. This sector is a relatively large and important sector accounting for 15.2 percent of the sales tax base in the fourth quarter of 2000. While an 8.0 percent increase is quite strong, prior to last quarter, the construction sector had posted double-digit increases for nine consecutive quarters. Taxable sales reported by the service sector softened a bit, increasing 4.9 percent in the last quarter of 2000, after increasing 6.2 percent in the third quarter. Taxable sales reported by the manufacturing sector were up 5.8 percent in the fourth quarter and the finance, insurance and real estate sector reported a 5.6 percent increase. On the other hand, taxable sales reported by the transportation, communications and utility sector increased only 1.6 percent. The wholesaling sector reported a 3.8 percent decline in taxable sales in the quarter.

Taxable sales in the central Puget Sound area may have started to weaken a little, with the gap between the state's three largest counties (King, Snohomish and Pierce) and the rest of the state continuing to narrow. In the fourth quarter the retail sales tax base grew 4.5 percent in the state's three largest counties compared to 3.1 percent in the rest of the state. Taxable sales increased 4.6 percent in King County, 4.3 percent in Pierce County and 4.0 percent in Snohomish County. Taxable sales in Spokane County increased 5.5 percent. Eastern Washington counties as a whole reported taxable sales growth of 3.4 percent in the fourth quarter compared to 3.9 percent west of the Cascades. Taxable sales were up 4.1 percent in metropolitan counties in the fourth quarter while increasing 3.0 percent in non-metropolitan counties.

At the national level, retail sales were up just 2.2 percent in the first quarter of 2001 on a year-over-year basis, after increasing 4.1 percent in the final quarter of calendar year 2000. The June forecast assumes that Washington's year-over-year taxable sales growth likely slowed even more in the first quarter to 1.5 percent.

Although taxable sales growth in the fourth quarter of 2000 was better than expected, a weaker economy has reduced the forecast of taxable sales growth in the first half of calendar year 2001. The June forecast expects taxable sales growth to slow to 3.1 percent in fiscal 2001, down from 3.7 percent expected in March. This is a sharp deceleration from the 8.0 percent increase in fiscal 2000. Slower growth in fiscal 2001 is due to slower income and employment growth. A decline in household net worth as a result of a sharp drop in equity prices, mounting announcements of lay-offs, and falling corporate profits has begun to erode consumer and business confidence. Although consumer confidence has fallen from its all-time high it is still at a relatively high level. So far an erosion of business confidence has weakened business investment spending much more than weaker consumer confidence has weakened consumer spending. Higher outlays for energy due to skyrocketing energy prices as well as some slowing in construction activity has also contributed to slower taxable sales growth.

Taxable sales growth is expected to slowly improve in the 2001-03 biennium from the fiscal 2001 level, but will fall short of the strong gains experienced in fiscal 1998, 1999 and 2000. Taxable sales are expected to grow 3.4 percent in fiscal year 2002 and 4.9 percent in 2003. Adjusted

Table 3.6

Summary of Changes to the General Fund-State Forecast

June 2001 Cash Forecast

(Millions of dollars)

<u>1999-2001 Biennium</u>		<u>June 2001 Forecast Change</u>
<i>Collection Experience</i>		(\$14.4)
Department of Revenue		
Major Excise ¹	(20.9)	
Other ²	1.2	
Department of Licensing ²	0.4	
Lottery Commission ²	5.0	
<i>Non Economic change³</i>		
Non economic changes		
2001 Legislation		(0.1)
<i>Forecast Change for Remainder of the 1999-01 Biennium</i>		(\$12.8)
Department of Revenue	(12.6)	
All other	(0.2)	
Change for the 1999-01 Biennium		(\$27.3)
<u>2001-2003 Biennium</u>		
<i>Legislation³</i>		(\$7.5)
Department of Revenue	(7.7)	
Other agencies	0.2	
<i>Phase-out of the Federal Estate tax</i>		(19.7)
<i>Forecast Change for the 2001-03 Biennium</i>		
Department of Revenue	(60.7)	(89.2)
All other	(28.5)	
Change for the 2001-03 Biennium		(116.4)
<u>Total Change: 1999-01 & 2001-03 Biennia*</u>		(\$143.7)

¹ Variance based on collections from March 11- June 10, 2001; retail sales, B&O, use & public utility taxes.² Variance based on collections from March 2001 -May 2001.³ Impact of 2001 legislation (Regular session).

* Detail may not add due to rounding

taxable sales grew about the same as personal income in fiscal 1999 but a little less than income in fiscal year 2000. Taxable sales growth is expected to exceed income growth in fiscal 2001. This is primarily due to very weak income growth in fiscal 2001 as a result of a significant decline in personal income from the exercising of stock options. Taxable sales growth is expected to again grow a little less than income in both fiscal 2002 and 2003 as employment growth weakens.

Forecast Change for the 1999-01 and the 2001-03 Biennia

The June 2001 GFS revenue forecast is \$143.7 million lower than in March. This includes a \$27.3 million reduction due to non-economic changes and a \$116.4 million reduction due to a weaker economic outlook. The majority of the reduction was to the outlook for the 2001-03 biennium. GFS revenue for the current biennium which ends June 30, 2001 is \$27.3 million less than in March. This reflects the weaker economic outlook, confirmed by weaker than expected collections in the three months since the March forecast. The GFS revenue forecast for the 2001-03 biennium is \$116.4 million less than in March. This reduction is comprised of an \$89.2 million reduction due to a weaker economy and a \$27.2 million reduction due to non-economic changes to the revenue forecast. The non-economic changes include 2001 legislation and the phase-out of the Federal estate tax.

Table 3.6 summarizes the changes to the June 2001 cash forecast for the 1999-01 and 2001-03 biennia by type of change. Tables 3.7 and 3.8 summarize revisions to the GFS revenue forecast for the 1999-01 biennium by agency and source of revenue. Table 3.7 is on a cash basis and Table 3.8 is on a GAAP basis. Table 3.9 and 3.10 summarize the revisions to the GFS revenue forecast for the 2001-03 biennium by agency and source. Table 3.9 is on a cash basis and Table 3.10 is on a GAAP basis. Table 3.11 provides a fiscal year forecast by major revenue source (cash basis). Table 3.12 provides a summary of the tax law changes to the GFS revenue forecast. Below is a brief summary of the impact of non-economic changes: tax law changes and the phase-out of the Federal estate tax, on the GFS forecast.

Non-Economic Changes to the Forecast

Two non-economic adjustments reduce the June 2001 GFS forecast by \$27.3. These are: tax law changes enacted during the 2001 regular legislative session, and the enactment of Federal tax legislation, H.R.1836, the “Economic Growth and Tax Relief Reconciliation Act of 2001”. While the majority of this law provides tax relief and fiscal stimulus by reducing federal income tax rates, Title V of this act phases out the Federal estate tax and federal credit for state taxes.

Legislative changes reduce the GFS forecast by \$7.6 million. All but \$0.1 million of this loss is in the 2001-03 biennium. There were 21 bills passed in the 2001 regular legislative session with some fiscal impact on GFS revenue. Most of these impacted revenue sources administered by the Department of Revenue. Individually, the fiscal impacts of most of the tax law changes were small. Engrossed Substitute House Bill (ESHB) 2247 had the largest impact. This legislation provides incentives for “direct service industries” (DSIs) to develop their own sources of power. Currently, DSIs obtain power directly from the BPA. However, after 2006 DSIs may not be able to get power directly from the BPA. This legislation provides B&O tax credits, public utility tax credits and brokered natural gas deferrals for DSIs who develop their own sources of electrical power. This legislation is expected to reduce GFS revenue \$8.2 million in the 2001-03 biennium. Table 3.12 summarizes the impact of 2001 legislation on GFS revenue.

The non-economic change with the greatest fiscal impact on GFS revenue was the passage of federal tax legislation, which includes the phase-out of the Federal estate tax and elimination of the federal estate tax credit for state taxes. The economic and revenue forecast had assumed a federal income tax cut since the November forecast, although the specifics were not known. With passage of H.R. 1836 the specifics are available. The fiscal stimulus provided as a result of the federal income tax reduction is about what was expected in prior forecasts. The direct loss associated with the phase-out of the estate tax and elimination of the federal credit for state taxes had not previously been incorporated into the forecast. Most states, including Washington, will lose a significant portion of estate tax revenue due to this legislation. Washington's estate tax is commonly referred to as a "pick-up" tax, because it is based on the maximum amount of credit that is allowed under the federal estate tax law for state taxes. Thus the Washington estate tax does not constitute an additional tax on an estate but simply shifts revenue from the federal government to the state. Before the change to the Federal law, Washington's estate tax receipts were expected to be \$195 million in the 2001-03 biennium. Changes to the federal estate tax are expected to reduce Washington's estate tax revenue by \$19.7 million in the 2001-03 biennium. There are two aspects to the loss in estate tax revenue. First, a reduction in federal estate tax rates and increases in the unified credit reduce federal (and state) tax liability. Second, and more significant, the phase-out of the federal credit for state taxes reduces the amount shifted from the federal government to the states. The expected loss grows until revenue from the estate tax is completely eliminated by fiscal year 2007.

Department of Revenue

The Department of Revenue collects and administers the majority of GFS revenue, accounting for more than 97 percent of the total in the 2001-03 biennium. The June 2001 forecast of GFS revenue sources administered and collected by the Department of Revenue is \$120.6 million lower than in March. Almost a quarter of the change, \$27.5 million, is due to non-economic reasons: reductions to revenue due to 2001 legislation and the loss of estate tax revenue due to the phase-out of the federal estate tax. The remainder is due to a weaker than expected economy in the first quarter of 2001 and to a weaker economic outlook for the last quarter of the 1999-01 biennium and the 2001-03 biennium. Most of the reduction is in the 2001-03 biennium. The Department of Revenue 1999-01 biennium GFS forecast was reduced \$32.5 million while the 2001-03 forecast was reduced \$88.1 million. Weaker than expected collections lowered the forecast for the 1999-01 biennium by \$19.8 million, about 60 percent of the change this biennium. Weaker economic conditions in the last month of the biennium account for the remainder of the reduction to the forecast for the 1999-01 biennium. The \$88.1 million reduction to the Department of Revenue GFS forecast for the 2001-03 biennium is comprised of a \$27.4 million reduction due to non-economic factors and a \$60.7 million reduction due to a weaker economic outlook.

The major change to the June 2001 forecast for the 1999-01 biennium is a \$35.4 million reduction to the retail sales tax forecast. Other changes include a \$5.4 million reduction to the public utility tax forecast, a \$3.8 million reduction to the property tax (state levy) forecast, and a \$7.4 million increase to the penalty and interest forecast. These changes primarily reflect collection experience in the last three months. The reduction to the sales tax forecast reflects weak income and employment growth that translates directly into less spending by both consumers and businesses. The reduction to the public utility tax forecast reflects weaker than expected collection over the last

Table 3.7

Comparison of the General Fund-State Forecast by Agency**1999-01 Biennium; Cash Basis**

(Millions of dollars)

Forecast by Agency	March 2001 Forecast¹	Non- Economic Changes²	Forecast Revision	June 2001 Forecast	Total Change
Department of Revenue					
Retail Sales	\$10,972.3	(\$0.1)	(\$35.3)	\$10,936.8	(\$35.4)
Business & Occupation	3,768.0	0.0	(2.5)	3,765.5	(2.5)
Use	779.0	0.0	2.2	781.2	2.2
Public Utility	494.5	0.0	(5.4)	489.1	(5.4)
Liquor Sales/Liter	169.7	0.0	0.1	169.8	0.1
Cigarette	137.7	0.0	0.3	138.1	0.3
Property (State Levy)	2,658.1	0.0	(3.8)	2,654.3	(3.8)
Real Estate Excise	801.3	0.0	2.0	803.3	2.0
Timber Excise	34.4	0.0	0.9	35.3	0.9
Other	671.1	0.0	9.1	680.1	9.1
Subtotal	20,486.0	(0.1)	(32.4)	20,453.5	(32.5)
Department of Licensing					
Boat excise, licenses & fees	41.3	0.0	0.7	42.0	0.7
Insurance Commissioner					
Insurance Premiums	346.9	0.0	6.2	353.0	6.2
Liquor Control Board					
Liquor Profits and Fees	54.7	0.0	0.3	55.0	0.3
Beer & Wine Surtax	3.2	0.0	0.0	3.2	0.0
Lottery Commission					
Lottery Revenue	203.3	0.0	0.0	203.3	0.0
State Treasurer					
Interest Earnings	148.3	0.0	0.3	148.6	0.3
Office of Financial Management					
Other	28.6	0.0	(2.3)	26.3	(2.3)
Total General Fund-State *	\$21,312.4	(\$0.1)	(\$27.2)	\$21,285.0	(\$27.3)

1 The General Fund State Revenue Forecast adopted by the Economic and Revenue Forecast Council in March 2001.

2 2001 legislation.

* Detail may not add to totals due to rounding.

Table 3.8
Comparison of the General Fund-State Forecast by Agency
1999-2001 Biennium; GAAP Basis
(Millions of dollars)

Forecast by Agency	March 2001 Forecast¹	Non- Economic Changes²	Forecast Revision	June 2001 Forecast	Total Change
<i>Department of Revenue</i>					
Retail Sales	\$10,986.9	(\$0.1)	(\$35.9)	\$10,950.9	(\$36.0)
Business & Occupation Use	3,784.0	0.0	(2.6)	3,781.4	(2.6)
Public Utility	778.7	0.0	2.1	780.9	2.1
Liquor Sales/Liter	493.9	0.0	(5.4)	488.5	(5.4)
Cigarette	170.5	0.0	0.2	170.6	0.2
Property (State Levy)	139.0	0.0	0.3	139.3	0.3
Real Estate Excise	2,662.1	0.0	(4.8)	2,657.3	(4.8)
Timber Excise	802.7	0.0	2.0	804.7	2.0
Other	34.4	0.0	0.9	35.3	0.9
Subtotal	661.7	0.0	8.7	670.4	8.7
	20,514.0	(0.1)	(34.5)	20,479.4	(34.6)
<i>Department of Licensing</i>					
Boat excise, licenses & fees	41.3	0.0	0.7	42.0	0.7
<i>Insurance Commissioner</i>					
Insurance Premiums	347.1	0.0	6.2	353.2	6.2
<i>Liquor Control Board</i>					
Liquor Profits and Fees	54.7	0.0	0.3	55.0	0.3
Beer & Wine Surtax	3.2	0.0	0.0	3.2	0.0
<i>Lottery Commission</i>					
Lottery Revenue	201.1	0.0	0.0	201.1	0.0
<i>State Treasurer</i>					
Interest Earnings	147.8	0.0	(0.0)	147.7	(0.0)
<i>Office of Financial Management</i>					
Other	26.9	0.0	(1.4)	25.4	(1.4)
<u>Total General Fund-State *</u>	<u>\$21,336.1</u>	<u>(\$0.1)</u>	<u>(\$28.8)</u>	<u>\$21,307.2</u>	<u>(\$28.9)</u>

¹ The General Fund State Revenue Forecast adopted by the Economic and Revenue Forecast Council in March 2001.

² 2001 legislation.

* Detail may not add to totals due to rounding

Table 3.9
Comparison of the General Fund-State Forecast by Agency
2001-2003 Biennium; Cash Basis
(Millions of Dollars)

Forecast by Agency	March 2001 Forecast¹	Non- Economic Changes²	Forecast Revision	June 2001 Forecast	Total Change
<i>Department of Revenue</i>					
Retail Sales	\$11,774.2	\$0.2	(\$47.8)	\$11,726.5	(\$47.7)
Business & Occupation	4,119.2	0.5	(0.4)	4,119.3	0.1
Use	734.1	(0.4)	(1.9)	731.8	(2.3)
Public Utility	513.3	(7.4)	(0.3)	505.6	(7.7)
Liquor Sales/Liter	176.5	0.0	1.9	178.4	1.9
Cigarette	129.4	(0.2)	(0.5)	128.8	(0.6)
Property (State Levy)*	2,614.8	0.2	8.2	2,623.2	8.4
Real Estate Excise	880.8	0.1	(19.1)	861.7	(19.0)
Timber Excise	21.2	0.0	(7.0)	14.3	(7.0)
Other	663.2	(20.4)	6.0	648.9	(14.3)
Subtotal	21,626.7	(27.4)	(60.7)	21,538.6	(88.1)
<i>Department of Licensing</i>					
Boat excise, licenses & fees	40.1	0.0	1.1	41.1	1.1
<i>Insurance Commissioner</i>					
Insurance Premiums	354.6	0.0	(4.2)	350.4	(4.2)
<i>Liquor Control Board</i>					
Liquor Profits and Fees	63.4	0.1	(0.8)	62.7	(0.7)
Beer & Wine Surtax	3.3	0.0	0.0	3.4	0.0
<i>Lottery Commission</i>					
Lottery Revenue	0.0	0.0	0.0	0.0	0.0
<i>State Treasurer</i>					
Interest Earnings	109.3	(0.5)	(18.5)	90.3	(19.0)
<i>Office of Financial Management</i>					
Other	18.1	0.6	(6.1)	12.6	(5.5)
<u>Total General Fund-State **</u>	\$22,215.5	(\$27.2)	(\$89.2)	\$22,099.1	(\$116.4)

1 Forecast for the 2001-03 biennium adopted March 2001.

2 2001 legislation (regular session) and phase-out of the Federal estate tax.

* The state levy forecast reflects only the General Fund portion. The portion of the state levy transferred to the Student Achievement Account per Initiative 728 is not included.

** Detail may not add to totals due to rounding.

Table 3.10

**Comparison of the General Fund-State Forecast by Agency
2001-2003 Biennium; GAAP Basis**

(Millions of dollars)

Forecast by Agency	March 2001 Forecast¹	Non- Economic Changes²	Forecast Revision	June 2001 Forecast	Total Change
<i>Department of Revenue</i>					
Retail Sales	\$11,822.0	\$0.2	(\$47.8)	\$11,774.4	(\$47.6)
Business & Occupation Use	4,138.1	0.5	(0.4)	4,138.3	0.2
Public Utility	735.7	(0.4)	(1.9)	733.4	(2.3)
Liquor Sales/Liter	515.3	(7.4)	(0.3)	507.7	(7.7)
Cigarette	176.5	0.0	1.6	178.1	1.6
Property (State Levy)*	129.5	(0.2)	(0.5)	128.9	(0.6)
Real Estate Excise	2,617.9	0.2	9.2	2,627.3	9.5
Timber Excise	885.0	0.1	(19.1)	865.9	(19.0)
Other	21.2	0.0	(7.0)	14.3	(7.0)
Subtotal	664.2	(20.4)	6.0	649.9	(14.4)
	21,705.5	(27.4)	(60.0)	21,618.1	(87.4)
<i>Department of Licensing</i>					
Boat excise, licenses & fees	41.4	0.0	1.1	42.5	1.1
<i>Insurance Commissioner</i>					
Insurance Premiums	354.6	0.0	(4.2)	350.4	(4.2)
<i>Liquor Control Board</i>					
Liquor Profits and Fees	63.4	0.1	(0.8)	62.7	(0.7)
Beer & Wine Surtax	3.3	0.0	0.0	3.4	0.0
<i>Lottery Commission</i>					
Lottery Revenue	0.0	0.0	0.0	0.0	0.0
<i>State Treasurer</i>					
Interest Earnings	108.9	(0.5)	(18.9)	89.5	(19.4)
<i>Office of Financial Management</i>					
Other	19.5	0.6	(6.1)	14.1	(5.5)
<u>Total General Fund-State**</u>	\$22,296.7	(\$27.2)	(\$88.9)	\$22,180.7	(\$116.0)

1 Forecast for the 2001-03 biennium adopted March 2001.

2 2001 legislation (regular session) and the phase-out of the Federal estate tax.

* The state levy forecast reflects only the General Fund portion. The portion of the state levy that is transferred to the Student Achievement Account by Initiative 728 is excluded.

** Detail may not add to totals due to rounding.

Table 3.11

**June 2001 General Fund-State Forecast
1999-01 & 2001-03 Biennia; Cash Basis**

(Millions of dollars)

Forecast by Source	Fiscal 1999^A	Fiscal 2000^A	Fiscal 2001	1999-01 Biennium	Fiscal 2002	Fiscal 2003	2001-2003 Biennium
State Taxes							
Retail sales	\$4,947.5	\$5,400.4	\$5,536.5	\$10,936.8	\$5,732.8	\$5,993.8	\$11,726.5
Business & occupation	1,786.8	1,811.3	1,954.2	3,765.5	2,007.3	2,112.1	4,119.3
Use	335.8	379.7	401.5	781.2	357.4	374.4	731.8
Public Utility	212.6	236.2	252.9	489.1	249.9	255.8	505.6
Liquor sales/liter	79.6	83.2	86.6	169.8	88.3	90.2	178.4
Beer & wine surtax	1.6	1.6	1.6	3.2	1.7	1.7	3.4
Cigarette	71.1	69.7	68.3	138.1	65.2	63.6	128.8
Tobacco products	14.6	16.4	17.7	34.1	17.8	18.2	36.1
Property (state school levy)***	1,248.6	1,302.0	1,352.3	2,654.3	1,280.9	1,342.3	2,623.2
Public utility district	26.9	29.1	29.9	59.0	31.4	33.1	64.4
Real estate excise	394.6	401.1	402.1	803.3	415.8	445.9	861.7
Timber excise	18.8	20.2	15.2	35.3	8.1	6.2	14.3
Estate/inheritance	69.6	82.7	107.8	190.5	96.8	80.7	177.5
Motor Veh. Exc. & Rental Car**	135.3	0.0	(0.2)	(0.1)	0.0	0.0	0.0
Boat excise	10.2	11.2	11.0	22.2	11.6	11.9	23.5
Insurance premiums	158.3	174.6	178.4	353.0	172.8	177.6	350.4
Other	138.4	136.0	141.4	277.3	121.1	125.4	246.5
Total Taxes	9,650.3	10,155.5	10,557.2	20,712.7	10,658.8	11,132.7	21,791.5
State Non-Tax Sources							
Licenses, permits, fees	76.5	85.0	74.3	159.3	77.6	79.0	156.7
Liquor profits & fees	24.0	25.5	29.5	55.0	30.0	32.7	62.7
Earnings on investments	73.0	71.2	77.3	148.6	43.3	47.0	90.3
Lottery transfers	107.5	93.3	110.0	203.3	0.0	0.0	0.0
Other revenue & transfers	47.9	2.6	3.5	6.1	(17.1)	15.0	(2.1)
Total Non-Tax	328.9	277.7	294.6	572.3	133.9	173.7	307.6
Total General Fund-State *	\$9,979.2	\$10,433.2	\$10,851.9	\$21,285.0	\$10,792.7	\$11,306.4	\$22,099.1

A Actual

* Detail may not add to totals due to rounding.

** Includes General Fund-State share of the rental car tax. Referendum 49 removes the MVET and the rental car tax from the General Fund effective July 1999.

*** General Fund portion only. Property tax in fiscal 2002 and fiscal 2003 is after transfer to the Student Achievement Account.

Table 3.12

Summary of the Revenue Impact of 2001 Tax legislation*
General Fund -State; Thousands of Dollars
By Agency; 2001-03 Biennium

<u>Agency/Legislation</u>		<u>Fiscal 2001</u>	<u>Fiscal 2002</u>	<u>Fiscal 2003</u>	<u>2001-03 Biennium</u>
Department of Revenue					
HB 1018	State tax exemption for landslide demolition	(\$0.1)	(\$0.0)	\$0.0	(\$0.0)
HB 1055	Lake Cushman, shift from leasehold to property tax		0.1	(0.1)	0.0
HB 1116	Sales tax exemption-items prescribed by podiatrists		(0.0)	(0.0)	(0.1)
SHB 1119	B&O taxation of Vehicle dealers		0.6	0.6	1.2
SHB 1140	Grain warehouses-cash or accrual accounting		(0.0)	0.0	(0.0)
SHB 1339	Sales tax exemption for agricultural inputs		(0.0)	(0.0)	(0.0)
HB 1361	Delay B&o tax on investment income of nonfinancial firms		0.0	0.0	0.0
HB 1385	Sales tax treatment of linen & uniform supply services		0.6	0.7	1.4
SHB 1450	Compensating tax exemption for owners death		(0.0)	(0.0)	(0.1)
ESHB 1832	Public utility tax deduction for water efficiency	(\$0.0)	(0.4)	(0.5)	(0.9)
HB 1859	Sales tax exemption for electric generation		(0.1)	(0.2)	(0.3)
SHB 1915	Wine and Cider		0.0	0.0	0.0
SHB 2184	Park model trailers shift to real estate excise tax		(0.2)	(0.2)	(0.3)
EHB 2247	Energy tax incentives (DSI's, billing discounts, peak plants)		(2.9)	(5.4)	(8.2)
ESSB 5372	Trial contacts for cigarette taxes		0.0	(0.2)	(0.2)
SSB 5484	Sales tax exemption for conifer seeds		(0.0)	(0.0)	(0.1)
	Subtotal DOR	(0.1)	(2.4)	(5.2)	(7.6)
OFM-Other agencies					
HB 1138	Prevailing Wage		(0.0)	(0.0)	(0.0)
SSB 5101	Consumer Protection/contractors		0.3	0.3	0.6
SSB 5417	Opiate Substitute Treatment		0.0	0.0	0.0
	Subtotal OFM other Agencies		0.3	0.3	0.6
Office of the State Treasurer					
2SHB 1445	Time Certificate Investments		(0.1)	(0.4)	(0.5)
Liquor Control Board					
HB 1951	Wine- Off-premise consumption		0.0	0.0	0.1
Total-All Agencies GFS		<u>(\$0.1)</u>	<u>(\$2.2)</u>	<u>(\$5.3)</u>	<u>(\$7.5)</u>

* Legislation enacted during the 2001 regular legislative session.

three months. Although public utility tax revenue has been very strong, the \$5.4 million reduction to the forecast this quarter indicates that the nearly 10 percent increase to the public utility tax forecast in March may have been a little too much.

The two major change to the forecast for the 2001-03 biennium for Department of Revenue sources were a \$47.7 million reduction to the retail sales tax forecast and a \$19.0 million reduction to the real estate excise tax forecast. Other changes include a \$18.1 million reduction to the estate tax, a \$7.7 million reduction to the public utility tax a \$7.0 million reduction to the GFS portion of the timber excise tax, and a \$8.4 million increase to the GFS share of the property tax (state levy) forecast.

The reductions to the forecast for the 2001-03 biennium are relatively small and primarily reflect a slightly weaker economic outlook. For the retail sales tax forecast, the reduction reflects a lower base due to weaker collections in the last half of fiscal 2001 and expectations of only a modest rebound in fiscal 2002. The reduction to the real estate excise tax forecast reflects a nearly 10 percent reduction in the building permit forecast in fiscal 2002. Real estate activity is still expected to grow in both fiscal 2002 and 2003 but not nearly as fast as had been assumed in March. The reductions to the public utility and estate tax forecasts are virtually all due to non-economic factors (2001 legislation in the case of the public utility tax, and phase-out of the federal estate tax credit in the case of the estate tax). The reduction to the forecast of GFS share of the timber excise tax reflects a weaker outlook both for stumpage prices and harvest volume. The increase of the GFS share of the state levy was due to a small increase to the inflation forecast. The state levy is primarily formula driven, with the growth of the state levy limited to the lessor of 2 percent or the increase in the U.S. implicit price deflator for consumer expenditures. With the projected increase of the implicit price deflator well below 2.0 percent, it becomes the major lever affecting the state levy forecast. The forecast for the deflator was up a little in the June 2001 economic forecast from what was expected in March. Note, initiative 728 changed the way receipts from the state portion of the property tax (state levy) are distributed. Prior to I-728 the entire state levy was deposited into the General Fund. Under I-728 beginning in fiscal 2002, a portion of the state levy is deposited into the Student Achievement Account. The amount going to this account is formula driven based on the expected K-12 enrollment and a dollar-per-student amount set in statute. The current estimate of the amount of the state levy going to the Student Achievement Account is \$265.7 million in the 2001-03 biennium. This estimate is unchanged from what was assumed in March. Part I of Table 3.19 summarizes the disposition of the state levy forecast by fund.

Department of Licensing

The majority of General Fund-State revenue collected by the Department of Licensing is from a variety of professional licenses as well as boat excise tax and registration. Prior to its elimination, the motor vehicle excise tax was the primary General Fund-State revenue source reported by the department.

The forecast of the Department of Licensing General Fund-State sources for the current biennium has been increased \$0.7 million and the forecast for the 2001-03 biennium has been increased \$1.1 million. While the forecast increase reflected increased actual and forecasted revenues from several licenses and fees, the largest contributor to the increase was increased actual and projected boat excise tax receipts.

The Office of Financial Management (Other Agencies)

The Office of Financial Management (OFM) is responsible for preparing General Fund-State revenue and transfer forecasts for all agencies excluding the Department of Revenue, the Department of Licensing, the Liquor Control Board, the Insurance Commissioner, the State Treasurer, and the Lottery Commission.

The OFM Other Agency forecast has been decreased by \$2.3 million in the current biennium and \$5.5 million in the 2001-03 biennium. These changes were primarily the result of changes to the Department of Financial Institution's forecast of revenues from state-owned securities. These changes reflected revision of the department's forecasting model to more accurately reflect the recent behavior of securities markets. The reduction in the 2001-03 forecast was partially offset by the addition of \$0.6 million in revenue from legislative changes in other agencies.

Lottery Commission

The Lottery Commission prepares a quarterly forecast of transfers to the General Fund based on the unallocated portion of collections from Lottery product sales. The commission's General Fund transfer forecast for the current biennium is unchanged. As per Initiative 728, lottery revenue collected after the end of the current biennium will be transferred directly to the Student Achievement and Education Construction Funds.

State Treasurer

The forecast and actual experience of the Office of the State Treasurer is based primarily on rate conditions and average daily balances for the funds within the Treasurer's control. The office's General Fund-State forecast for the current biennium is substantially unchanged, while the forecast for the next biennium has been decreased by \$19.0 million. This decrease is due largely to the effects of aggressive interest rate cutting by the Federal Reserve Board since the last forecast and its predicted effect on future rates.

Insurance Commissioner

The forecast for the Office of the Insurance Commissioner is based on projections for premium volume of insurance companies in the State of Washington. Expectations are based on both insurance rate changes and the growth of premium volume. The office's General Fund-State forecast for the current biennium was increased by \$6.2 million and the forecast for the 2001-03 biennium was decreased by \$4.2 million. These changes reflect changes in past and expected insurance premium volume.

Liquor Control Board

The Liquor Control Board forecasts revenue from both profits and fees from state-run liquor stores and funds from surtaxes on beer and wine. The forecast for the current biennium was increased \$0.3 million. The forecast for the 2001-03 biennium was decreased \$0.7 million due to a planned increase in funds appropriated for capital improvements to the board's merchandising computer systems, the cost of which was partially offset by an increase in projected sales revenues for the same period.

Track Record for the 1999-01 Biennium

The June 2001 GFS cash forecast for the 1999-01 biennium is \$21,285.0 million. This is \$27.3 million less than the March 2001 forecast. The June 2001 forecast is \$383 million, 1.8 percent, higher than the February 1998 forecast, which was the initial forecast for the 1999-01 biennium. The total change to the 1999-01 forecast over the last three years is relatively small only because tax law changes (reductions) have offset additions to the forecast due to a strong economy. Excluding tax law changes, the June 2001 forecast for the 1999-01 biennium is \$951 million (4.5 percent) above the February 1998 forecast. The June 2001 forecast is the thirteenth quarterly update to the outlook for the 1999-01 biennium since the initial forecast in February 1998. There have been ten increases to the forecast for the 1999-01 biennium and three reductions including the one this quarter. Table 3.13 summarizes the quarterly updates to the GFS forecast for the 1999-01 biennium.

Track Record for the 2001-03 Biennium

The June 2001 GFS cash receipts forecast for the 2001-03 biennium is \$22,099.1 million. This is \$116.4 million less than the March 2001 forecast. The June forecast is \$435 million below the February 2000 forecast, which was the initial forecast for the biennium. However, most of this reduction reflects non-economic changes. Excluding the impact of non-economic factors, primarily impact of Initiative 728, the June forecast is \$89 million lower than last quarter but \$61 million (0.3 percent) higher than the February 2000 forecast. Table 3.14 summarizes the changes to the GFS forecast for the 2001-03 biennium since February 2000.

The Relationship Between the Cash and GAAP General Fund-State Revenue Forecasts

Legislation enacted in 1987 requires that the state's biennial budget be in conformance with Generally Accepted Accounting Principles (GAAP) and that the Forecast Council adopts a cash forecast as well as a forecast of revenue on a GAAP basis. There are thus two related but distinct GFS forecasts summarized in this chapter: a cash receipts forecast and a GAAP revenue forecast. The primary difference between the cash and GAAP forecasts is timing of the receipt of revenue. On a GAAP basis, revenues are credited to the biennium in which they are earned even though they may not have been received. The cash forecast, on the other hand, reflects expected cash receipts during a fiscal period. The forecast on a GAAP, or accrual, basis is primarily used for financial reporting. The cash forecast is used for cash flow management, revenue tracking and is the forecast used in the state's budgetary balance sheet, which is the principal tool for assessing the General Fund's current surplus or deficit position. References to the GFS forecast in the text of this chapter refer to the cash forecast unless otherwise noted. Likewise, the revenue tables other than Tables 3.8 and 3.10 are on a cash basis.

Table 3.15 compares the cash receipts forecast and the GAAP forecast by agency. Revenue for the 1997-99 biennium totals \$19,702.9 million on a GAAP basis, \$82.8 million higher than the \$19,620.1 million cash receipts total. The GAAP forecast for the 1999-01 biennium totals \$21,307.2 million, \$22.2 million higher than the \$21,285.0 million cash forecast for the biennium. The GAAP forecast for the 2001-03 biennium totals \$22,180.7 million, \$81.6 million more than the \$22,099.1 million cash forecast.

Table 3.13

Cash Basis

Track Record for the 1999-01 General Fund-State Cash Forecast

February 1998 through June 2001

(Millions of dollars)

<u>Date of Forecast</u>	<u>Department of Revenue*</u>	<u>Other Agencies*</u>	<u>Subtotal*</u>	<u>Legislation**</u>	<u>Total Change</u>	<u>Total General Fund-State Cash Basis</u>
February 1998****	\$19,656	\$1,246				\$20,902
Changes to Forecast						
June 1998	13	13	26	(65) ¹	(39)	20,864
September 1998	(181)	(13)	(195)	0	(195)	20,669
November 1998	(13)	(6)	(19)	(471) ²	(490)	20,179
March 1999	65	36	100	(7) ³	94	20,273
June 1999	172	(2)	170	(23) ⁴	147	20,419
September 1999	88	5	93	0	93	20,512
November 1999	186	4	191	25 ⁵	215	20,727
February 2000	142	4	146	(30) ⁶	115	20,843
June 2000	243	(10)	233	(3) ⁷	230	21,073
September 2000	56	(6)	51	7 ⁸	57	21,130
November 2000	36	13	49	(10) ⁹	39	21,169
March 2001	115	19	134	10 ¹⁰	143	21,313
June 2001	(32)	5	(27)	(0)	(27)	21,286
Total Change***						
From February 1998	\$889	\$62	\$951	(\$568)	\$383	
Percent change	4.5%	5.0%	4.5%	-2.7%	1.8%	

* Excludes legislative, judicial, statutorily required or other major non-economic changes.

** Includes legislative, judicial, statutorily required or other major non-economic changes.

*** Detail may not add to total due to rounding.

**** First official forecast for the 1999-01 biennium.

1 Change to the forecast due to 1998 legislation. (Excluding the impact of referendum 49 and SHB 3015).

Major changes include: repeal of the B&O tax on internal distribution, consolidation/reduction of B&O tax rates, and a tax credit for firms engaged in international investment services.

2 Change to the forecast due to passage of Referendum 49.

3 Change to the forecast due to impact of SHB 3015 (2nd Narrows Bridge).

4 Change to the forecast due 1999 tax legislation (-\$25.1 million), budget driven revenue (\$29.9 million) and a statutorily required transfer to the Water Quality Account (-\$26.8 million).

5 Change to the GFS forecast due to passage of Initiative 695; this is the net impact of rental car tax going to the General Fund and the loss of camper/travel trailer excise tax revenue.

6 Due to legal uncertainties concerning the disposition of the rental car tax and legal considerations implying that most or all of the rental car distributions may not have been intended for deposit in the General Fund after passage of I-695, these revenues are not presently included in the General Fund-State forecast. In addition the ride-share credit was eliminated as of January 1, 2000; this was not previously included in the forecast.

7 The impact of 2000 legislation. Note the impact of the Telepage court case (extending the sales tax to paging services) is included as a Department of Revenue forecast change.

8 Revised impact of the salmon recovery timber tax credit.

9 Impact of Initiative 722 on General Fund-State revenue.

10 Adjustment to the impact of Initiative 722 on General Fund-State revenue.

Table 3.14
Track Record for the 2001-03 General Fund-State Cash Forecast
 February 2000 through June 2001
 (Millions of dollars)

<u>Date of Forecast</u>	<u>Department of Revenue*</u>	<u>Other Agencies*</u>	<u>Subtotal*</u>	<u>Legislation**</u>	<u>Total Change</u>	<u>Total General Fund-State Cash Basis</u>
February 2000****	\$21,728	\$805				\$22,534
Changes to Forecast						
June 2000	99	(25)	74	(3) ¹	71	22,604
September 2000	158	(1)	157	5 ²	162	22,766
November 2000	32	12	43	(482) ³	(439)	22,327
March 2001	(126)	2	(124)	12 ⁴	(112)	22,216
June 2001	(61)	(29)	(89)	(27) ⁵	(116)	22,099
Total Change***						
From February 2000	\$102	(\$41)	\$61	(\$495)	(\$435)	
Percent change	0.5%	-5.1%	0.3%	-2.2%	-1.9%	

* Excludes legislative, judicial, statutorily required or other major non-economic changes.

** Includes legislative, judicial, statutorily required or other major non-economic changes.

*** Detail may not add to total due to rounding.

**** First official forecast for the 2001-03 biennium.

1 Impact of 2000 legislation. Note the impact of the Telepage court case (extending the sales tax to paging services). This impact is included as a Department of Revenue forecast change.

2 Revised impact of the salmon recovery timber tax credit.

3 Impact of Initiatives 722 and 728. The estimate of initiative 728 is based on OFM analysis, subject to continuing review.

4 Adjustment to the impact of Initiatives 722 and 728.

5 Impact of 2001 legislation (regular session) and the phase-out of the Federal estate tax.

Table 3.15
June 2001 Baseline Forecast by Agency
Comparison of Cash and GAAP Basis
(Millions of dollars)

Agency	1997-99 Biennium			1999-01 Biennium			2001-03 Biennium		
	Cash Basis ¹	GAAP Basis ²	Diff.	Cash Basis ¹	GAAP Basis ²	Diff.	Cash Basis ¹	GAAP Basis ²	Diff.
General Fund - State Cash/Revenue Sources									
Department of Revenue ³	\$18,317.2	\$18,394.5	\$77.3	\$20,369.6	\$20,403.0	\$33.4	\$21,479.5	\$21,559.1	\$79.5
Department of Licensing	365.7	364.8	(0.9)	42.0	42.0	(0.0)	41.1	42.5	1.4
Insurance Commissioner ⁴	317.2	317.2	0.0	359.2	359.4	0.2	357.1	357.1	0.0
State Treasurer	148.9	148.2	(0.6)	148.6	147.7	(0.8)	90.3	89.5	(0.8)
Office of Financial Management									
Tuition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Agencies	165.8	169.5	3.7	172.6	171.7	(0.9)	166.5	168.0	1.4
Subtotal: General Fund-State Cash/Revenue*	19,314.8	19,394.3	79.5	21,091.9	21,123.8	31.8	22,134.6	22,216.1	81.6
General Fund State - Other Financing Sources⁵									
Department of Revenue ⁶	72.1	80.2	8.0	84.0	76.5	(7.5)	59.1	59.1	0.0
Lottery Commission	222.0	218.8	(3.3)	203.3	201.1	(2.2)	0.0	0.0	0.0
Insurance Commissioner ⁷	(5.0)	(5.0)	0.0	(6.2)	(6.2)	0.0	(6.7)	(6.7)	0.0
Liquor Control Board	54.4	54.4	0.0	58.3	58.3	0.0	66.1	66.1	0.0
Office of Financial Management									
Other Agencies ⁸	(38.3)	(39.7)	(1.5)	(146.3)	(146.2)	0.0	(153.9)	(153.9)	0.0
Subtotal: GFS Other Financing Sources	305.3	308.6	3.3	193.1	183.5	(9.6)	(35.4)	(35.4)	0.0
Total Available Receipts/Resources									
General Fund-State *	\$19,620.1	\$19,702.9	\$82.8	\$21,285.0	\$21,307.2	\$22.2	\$22,099.1	\$22,180.7	\$81.6

* Detail may not add due to rounding.

1 General Fund-State cash receipts forecast.

2 General Fund-State Revenue Forecast on a GAAP (Generally accepted accounting principles) basis, used to show the state revenue position for financial reporting purposes.

3 Excludes the state share of the timber tax and unclaimed property transfers.

4 Total insurance premiums tax.

5 Other financing sources represent transfers to/from other funds from/to the General Fund.

6 Includes the state share of the timber excise tax and unclaimed property transfers.

7 Forty percent of fire insurance premiums.

8 Agency 701 and accounting sources: 480 and 481 for all other agencies.

Table 3.16

1999-01 Balance Sheet**General Fund-State**

(Dollars in Millions)

1999-01

Resources	
Beginning Fund Balance	462.0
March 2001 Revenue Forecast	21,312.4
June Forecast Changes	(27.2)
2001 Legislative Changes	<u>(0.1)</u>
Current Revenue Totals	21,285.0
Changes in Reserves/Other Adjustments	<u>(1.0)</u>
Total Resources (Revenue/Fund Balance)	21,746.0
Expenditures	
1999-01 Appropriations	20,851.2
2001 Supplemental budget	<u>194.5</u>
Revised 1999-01 Appropriations	21,045.8
November 2000 I-601 Expenditure Limit	20,934.7
2001 Supplemental budget changes	<u>128.7</u>
Preliminary I-601 Expenditure Limit	21,063.4
General Fund Balance	
Total Ending Balance	700.3
Health Services Account Revenue Shift	121.0
Transfer to Emergency Reserve Fund	<u>(221.6)</u>
Unreserved General Fund Balance	599.7
Emergency Reserve Fund	
Beginning Balance	535.7
ERF Transfer to Transportation	(35.0)
Transfer to Education Construction Account	(241.0)
Other Changes (Transfer from General Fund plus interest earnings)	282.4
Appropriation to Earthquake account	<u>(58.3)</u>
Emergency Reserve	483.8

House and Senate Fiscal Committees
Office of Financial Management

Table 3.16 presents the budgetary balance sheet for the 1999-01 biennium. The GFS total ending balance is now projected to be \$700.3 million. This is down from \$922.2 million expected in March. The lower projected balance is due to a lower GFS revenue forecast and higher 1999-01 appropriations (2001 supplemental Budget). The June forecast assumes that \$221.6 million will be transferred to the Emergency Reserve Fund by the end of the 1999-01 biennium based on provisions in Initiative 601. Initiative 601 requires that revenue in excess of the I-601 spending limit be transferred to the Emergency Reserve Fund. Reserves in the Emergency Reserve Fund require two-thirds vote to appropriate. The transfer to the Emergency Reserve Fund is also less than assumed in March. This is due to a lower revenue forecast and an upward revision to the I-601 spending limit. The unreserved GFS ending balance is now projected to total \$599.7 million at the end of the 1999-01 biennium. The Emergency Reserve Fund balance is now projected to be \$483.8 million on June 30, 2001.

Alternative Forecast for the 1999-01 and 2001-03 Biennia

Economic growth has slowed considerably in the last quarter of 2000 and early 2001. The manufacturing sector of the economy is likely in a recession and although some other areas of the economy are also very weak, the June baseline forecast assumes that the economy as a whole will avoid a recession. The economy is expected to improve later in the year and will grow modestly the next three years. The baseline forecast assumes stable oil prices and expects some softening of both gasoline and natural gas prices. The baseline forecast also incorporates the recently enacted Federal tax cut and expects some immediate stimulus from rebate checks as well as additional stimulus from lower withholding. The baseline also assumes that the Fed will continue cutting rates. By fall it assumes the Federal funds rate will be down to 3.5 percent.

The economy could turn out to be better than assumed in the baseline. However, the optimistic outcome has been given a relatively low probability of occurring (15 percent). The economy is currently weak and although it is expected to improve it is very susceptible to shocks that could postpone or derail a recovery. The vulnerability of the economy to negative shocks is such that the pessimistic scenario has been given a 40 percent probability of occurring. The optimistic and pessimistic alternatives to the baseline economic and GFS revenue forecast are outlined below.

In the optimistic scenario higher productivity keeps inflation under control and boosts economic growth. Real GDP growth and housing starts are higher than the baseline in fiscal 2002 and 2003. The differences between the optimistic and baseline forecast are even greater for the Washington economy. State personal income is 1.4 percent higher than the baseline by the end of fiscal year 2001 and is 3.8 percent higher by the end of the 2001-03 biennium. State wage and salary employment is 7,700 greater than the baseline by the end of the 1999-01 biennium and is 54,300 higher by the last quarter of the 2001-03 biennium.

In the pessimistic scenario, the recession in manufacturing pulls the rest of the economy down with it. The Fed's monetary stimulus and rebate checks are not enough to offset large cut backs in investment spending and eventually consumer spending. Falling stock prices and weaker earnings sharply erode confidence. High energy prices and weakness abroad aggravate the problem. Real GDP declines for three quarters beginning in the second quarter of 2001. Although the economy begins to recover by the end of the year, income is still lower than the baseline throughout the forecast period. At the state level, the recession hits quickly and hard. Washington State personal income is 1.3 percent below the baseline estimate at the end of fiscal year 2001. Personal income is

5.3 percent less than the baseline by the end of the 2001-03 biennium. Wage and salary employment is 11,900 lower than the baseline by the end of the 1999-01 biennium and 59,900 less by the second quarter of 2003.

Table 3.17 shows the revenue implications of these alternative scenarios for the 1999-01 biennium. The optimistic scenario generates \$21,368.3 million GFS revenue in the 1999-01 biennium. This is \$83.3 million more than the baseline forecast. The pessimistic alternative produces only \$21,198.9 million GFS revenue in the 1999-01 biennium, \$86.1 million less than the baseline forecast. Table 3.19 summarizes alternative revenue forecasts for the 2001-03 biennium. The optimistic forecast generates \$22,900.3 million next biennium. This is \$801.2 million more than the baseline. The pessimistic alternative produces only \$21,098.3 million in the 2001-03 biennium, \$1,000.9 million less than the baseline.

In addition to the official optimistic and pessimistic alternatives, we routinely prepare a third alternative forecast. This is developed by averaging the forecasts for several key economic variables made by members of the Governor's Council of Economic Advisors (GCEA). The June GCEA scenario was based on the forecasts of five members of the Governor's Council of Economic Advisors. The GCEA alternative was very close to the baseline forecast. The GCEA alternative was \$4 million higher than the baseline for the 1999-01 biennium and \$70 million more in the 2001-03 biennium.

Table 3.17

June 2001 Alternative Forecasts Compared to the Baseline Forecast
1999-01 Biennium
(Millions of dollars)

Forecast by Source	Optimistic Forecast	Baseline Forecast	Pessimistic Forecast
<i>Department of Revenue</i>			
Retail Sales	\$10,958.9	\$10,936.8	\$10,912.2
Business & Occupation Use	3,770.6	3,765.5	3,757.9
Public Utility	781.4	781.2	779.1
Property (school levy)	489.3	489.1	488.9
Real Estate Excise	2,674.6	2,654.3	2,634.0
Other	804.2	803.3	802.6
Subtotal	1,036.8	1,023.3	1,013.1
	20,515.8	20,453.5	20,387.8
<i>Department of Licensing</i>	42.6	42.0	41.4
<i>Insurance Commissioner¹</i>	357.6	353.0	349.0
<i>Lottery Commission</i>	214.3	203.3	192.3
<i>State Treasurer - Interest earnings</i>	150.3	148.6	146.8
<i>Liquor Profits & Fees²</i>	58.9	58.3	57.7
<i>Office of Financial Management</i>			
Other agencies	28.8	26.3	23.9
Total General Fund - State*	\$21,368.3	\$21,285.0	\$21,198.9
Difference from June 2001 Baseline	\$83.3		(\$86.1)

1 Insurance premiums, General Fund-State portion.

2 Includes beer and wine surtax.

* Detail may not add to total due to rounding.

Table 3.18

June 2001 Alternative Forecasts Compared to the Baseline Forecast
2001-03 Biennium
(Millions of dollars)

Forecast by Source	Optimistic Forecast	Baseline Forecast	Pessimistic Forecast
<i>Department of Revenue</i>			
Retail Sales	\$12,139.2	\$11,726.5	\$11,229.8
Business & Occupation Use	4,241.9	4,119.3	3,916.7
Public Utility	773.3	731.8	698.0
Property (school levy)	509.7	505.6	500.6
Real Estate Excise	2,728.4	2,623.2	2,518.3
Other	910.3	861.7	798.3
Subtotal	978.8	970.4	921.8
	22,281.7	21,538.6	20,583.7
<i>Department of Licensing</i>	42.4	41.1	39.9
<i>Insurance Commissioner¹</i>	359.1	350.4	341.6
<i>Lottery Commission</i>	0.0	0.0	0.0
<i>State Treasurer - Interest earnings</i>	128.7	90.3	60.5
<i>Liquor Profits & Fees²</i>	67.4	66.1	64.8
<i>Office of Financial Management</i>			
Other agencies	21.0	12.6	7.8
Total General Fund - State*	\$22,900.3	\$22,099.1	\$21,098.3
Difference from June 2001 Baseline	\$801.2		(\$1,000.9)

1 Insurance premiums, General Fund-State portion.

2 Includes beer and wine surtax.

* Detail may not add to total due to rounding.

Table 3.19

Impact of Initiative 728 on the State Property Tax and Lottery Revenue
Millions of Dollars

I. Disposition of the State portion of the Property Tax

Fiscal Year	State Levy: Total Receipts	Disposition of Receipts from the State Levy	
		To the General Fund	To the Student Achievement Account-1
1998	\$1,204.0	\$1,204.0	
1999	1,248.6	1,248.6	
1997-99 Biennium	2,452.5	2,452.5	
2000	1,302.2	1,302.2	
2001	1,352.3	1,352.3	
1999-01 Biennium	2,654.5	2,654.5	
2002	1,413.9	1,280.9	133.0
2003	1,475.0	1,342.3	132.7
2001-03 Biennium	2,888.8	2,623.1	265.7

II. Disposition of Lottery Distributions*

Fiscal Year	Lottery: Total Transfers:**	General Fund	Mariners Stadium	Exhibition Center & Stadium	Student Achievement Account-1	School Construction Account-1
1996	\$104.8	\$103.3	\$1.5			
1997	101.2	98.1	3.1			
1999-01 Biennium	205.9	201.4	4.6			
1998	117.8	114.6	3.2			
1999	118.6	107.5	3.3	7.8		
1999-01 Biennium	236.3	222.0	6.5	7.8		
2000	101.1	93.3	3.4	4.4		
2001	120.1	110.0	3.6	6.5		
1999-01 Biennium	221.3	203.3	7.0	10.9		
2002	112.9	0.0	3.7	6.7	51.2	51.2
2003	112.7	0.0	3.9	7.0	76.4	25.5
2001-03 Biennium	225.7	0.0	7.6	13.8	127.6	76.7

* Cash Basis

** Total Transfers are equal to total sales less total expenses (prizes, cost of sales, administration etc.)

1 Initiative 728 directs a portion of the state levy to the Student Achievement Account and lottery revenue to the Student Achievement Account and the School Construction Fund. Prior to Initiative 728 this revenue went into the General Fund.

County Personal Income and Employment, 1995 to 1999

“**P**ersonal Income” is a measure of the total income received by individuals. It includes not only income earned from working, but also income derived from dividends, rent, interest, and transfer payments (such as Social Security). Personal contributions to social insurance programs such as Social Security, however, are not included in personal income. This is because most of these contributions end up as transfer payments for other individuals and are tabulated as part of their income. To count them as part of the contributor’s income as well would therefore be counting them twice. When the total personal income of a region is divided by the population of that region, the result is the “per capita personal income” of that region.

The US Department of Commerce, Bureau of Economic Analysis (BEA) publishes annual estimates of personal income on a county-by-county basis. The estimates are broken down by source and by industry. In April of this year, the bureau released new estimates for 1999 personal income and revised estimates from 1997 to 1998. This report presents details of the income data from 1995 to 1999. Data prior to 1995 are available through the BEA or the Washington State Office of the Forecast Council.

1999 per capita personal income in Washington’s counties ranged from \$44,719 in King County to \$16,305 in Ferry County. **Chart 4.1** illustrates both the level of per capita personal income in each county and its sources. The chart orders the counties according to population density, with the most densely populated counties presented first. The counties are also classified as rural or urban as per state law, which defines urban counties as those with a population density greater than one hundred people per square mile. The length of the black bar in the chart indicates the total amount of per capita earnings generated from work within a particular county. Where the bar extends below zero, it indicates that non-residents working in that county removed more earnings from the county than county residents working elsewhere brought into the county. This is indicated by a negative “residence adjustment” in the personal income tables. In counties where residents working outside the county brought in more earnings than non-residents took out, these earnings are indicated by a white bar, which indicates a positive residence adjustment. The total amount of per capita income that was derived from earnings by county residents is thus indicated by the top of the black bar, and the proportion of that income that was earned within the county is indicated by the relative lengths of the white and black bars.

From the chart, one can see that in general, the most densely populated counties tend to have the highest per capita personal income. The difference in average per capita personal income between urban and rural counties was, in fact, over eleven thousand dollars in 1999. The chart also indicates a large variation in income derivation between counties. One example of this variation is the difference between King and San Juan counties, which were the two counties with the highest per capita personal income in the state. King County's above average per capita personal income stemmed from a high level of per capita earnings. San Juan County's high per capita personal income, however, was the result of high levels of income from dividends, interest, and rent.

Commuting, as reflected by "residence adjustments" in Chart 4.1, also has a large effect on county earnings. For example, approximately three times as many people commute from other counties to work in King County than the reverse¹. In 1999, this resulted in a net earnings outflow from King County into other areas of some 7.2 billion dollars. This outflow resulted in a positive residence adjustment for many of the surrounding counties. Counties in southwest Washington that border on the Portland metropolitan area such as Clark and Skamania experienced similar large earnings inflows. Skamania County, in fact, had a higher level of per capita earnings from outside of the county (\$7,732) than within (\$7,015).

The amount of income that county residents can earn within their own county is a function of job availability, labor force participation, and average wage per job. The job availability within counties can be compared by using a "job ratio," which is calculated by dividing the number of jobs in a county by the county's population. **Table 4.1** lists 1999 county job ratios, reported as the number of jobs per 100 residents.

The BEA does not publish county data on labor force participation, nor can it be determined by total employment, since there is no way of counting how many workers have more than one job. As a substitute, unemployment rates and per capita residence adjustments are also included in Table 4.1. While these figures do not indicate what portion of the population participates in the labor force, they can provide an indication of overall labor market behavior. For example, Asotin County had a job ratio of 36.2, well below the state average of 60.6. It also, however, had a large positive per capita residence adjustment of \$5,166, indicating that a large amount of the labor force worked in other counties or states (In this case, Lewiston, Idaho). The unemployment rate of 3.4%, well below the state average of 4.7%, further indicates that county residents as a whole could find work relatively easily. Skamania County, on the other hand, also had a low (30.2) job ratio and high (\$7,732) per capita residence adjustment, but its higher than average unemployment rate of 8.4% indicates that residents may have had a relatively hard time finding work².

Chart 4.2 indicates 1999 county average earnings per job. The chart orders the counties according to population density, with the most densely populated counties presented first. From the chart, one can see that the difference in average earnings per job between urban and rural counties was even more pronounced than the difference in per capita personal income, reaching a level of over fourteen thousand dollars.

The components of county earnings are detailed in tables 4.2 and 4.3. **Table 4.2** indicates the number of people in each county employed in either full-time or part-time jobs per major industry classification and the average earnings per job. **Table 4.3** lists the sources of 1999 income for each county, population and per capita personal income, and earnings broken down by major industry. These tables provide an indication of how much of the difference in per capita earnings between counties is the result of differences in industry mix. For example, according to Table 4.2, farm employment and agricultural services/forestry/fishing were among the lowest paying industries in Washington. Those industries combined represented 26% of jobs³ in Lincoln County, which

ranks second to last in county earnings per job and sixteenth to last in per capita personal income. In Snohomish County, however, manufacturing, which was on average the third-highest paying industry in the state, represented 22% of jobs. This helped the county to rank second in wages per job and fourth in per capita personal income.

When using tables 4.2 and 4.3 to determine industry mix, it must be noted that the industries are classified according to Standard Industry Classification (SIC) codes. As these codes were last revised in 1987 (in anticipation of the new North American Industry Classification System (NAICS) which currently being phased in), they do not explicitly indicate many of the high-technology jobs that are the source of high earnings growth in several counties. For example, production of computer software is classified as “Business Services” under the major heading of “Services”. This helps to explain why the average wage for “services” in King County was \$56,565 but only \$12,467 in Garfield County.

Table 4.4 lists the per capita personal income of Washington’s counties and metropolitan areas from 1995 to 1999 and the amount of growth during that period. From 1995 to 1999, the state’s urban counties experienced a total increase in per capita personal income of 30.4 percent, while rural counties grew 15.2 percent. The increase in US per capita personal income in the same period was 21.2 percent.

While there is a wide variation in per capita personal income between rural and urban counties, there is also variation in the counties’ cost of living. While neither the federal nor the state government provides a measure of the relative cost of living between counties, the median home price can provide a good indication. **Table 4.5** shows the relationship of 1999 median home prices to per capita personal income. For example, King County had the highest per capita personal income level (47.2 percent higher than the state average) and the second highest median home price (39.9 percent greater than the state average). Alternatively, Ferry County had the lowest per capita personal income at \$16,305 (46.3 percent lower than the state average), and was ranked 27th with a median home price of \$90,000 (46.0 percent less than the state average). This relationship suggests that the difference in per capita personal income between urban and rural communities may be offset somewhat by their differences in cost of living.

¹ 1990 Journey To Work Statistics, BEA

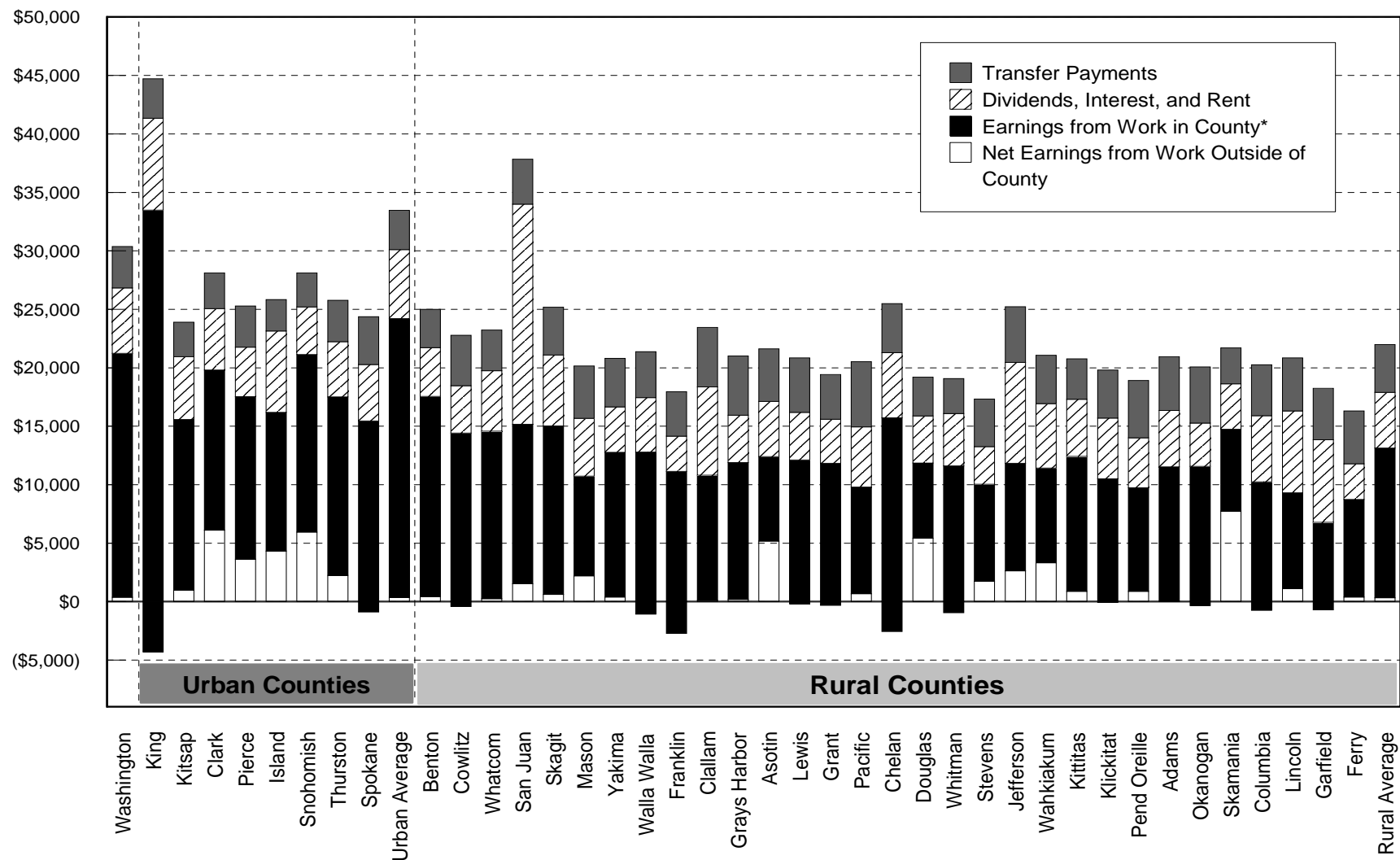
² Care, however, must be taken when comparing unemployment rates between Washington counties. This is because the yearly average unemployment rate of counties with high levels of farm employment is inflated by high off-season unemployment. These counties’ rates will therefore be higher on the average than non-farm counties even though their residents may experience similar degrees of employment.

³ Recall, however, that “jobs” includes both full-time and part-time positions and represents the number of jobs rather than the amount of time spent in employment

Chart 4.1

1999 County Per Capita Personal Income by Source

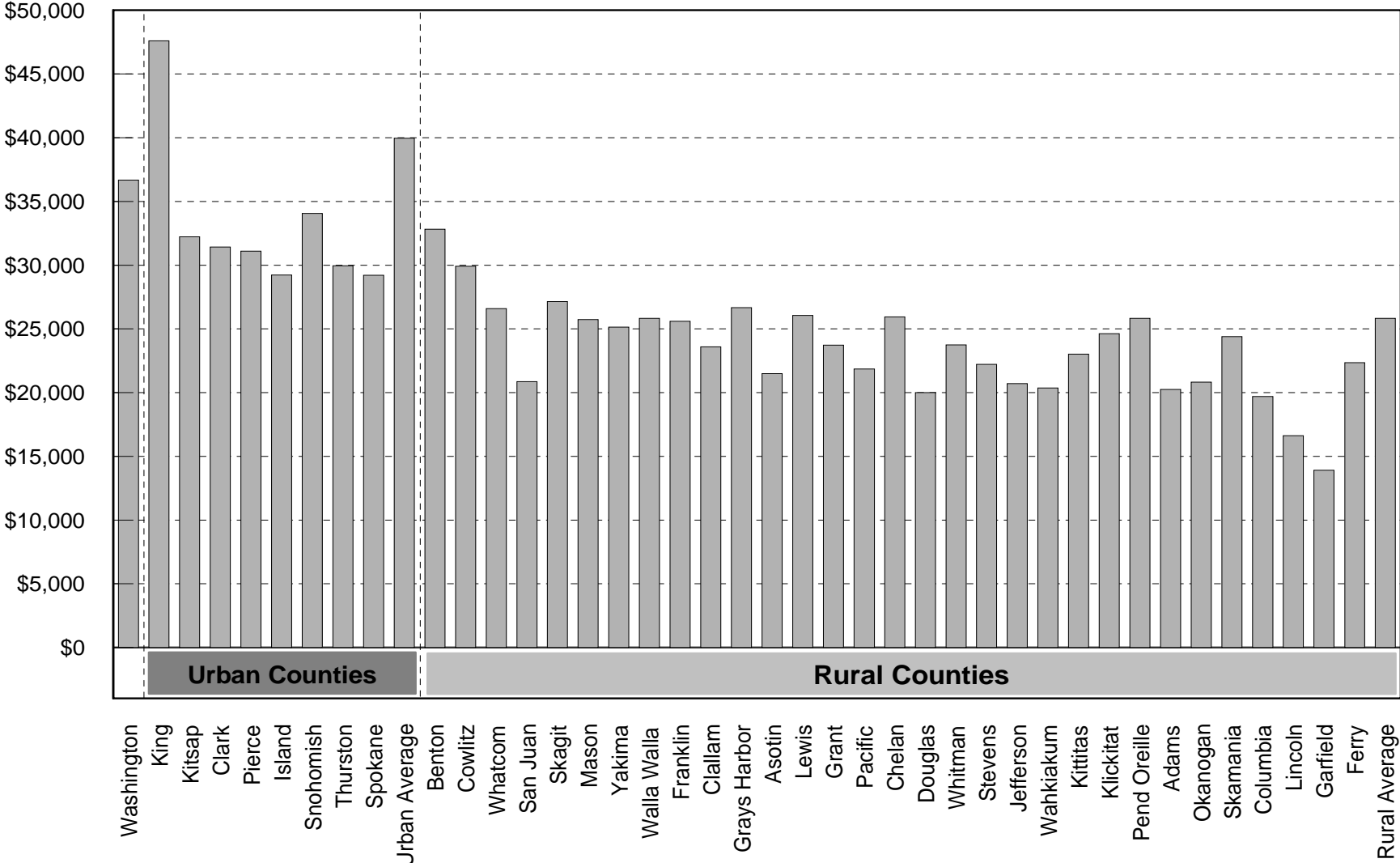
(Counties Ordered by Population Density)



*Sections of in-county earnings that extend below zero indicate per capita in-county earnings of out-of-county residents

Chart 4.2
1999 Earnings per Job
 (Counties Ordered by Population Density)

73



June 2001

Table 4.1

1999 Job Ratio, Unemployment, and Per Capita Residence Adjustment

	Total Full and Part-Time Employment	Population**	Job Ratio	Per Capita Residence Adjustment	Unemployment Rate
Washington	3,490,131	5,756,361	60.6	\$365	4.7%
King*	1,414,652	1,664,846	85.0	-\$4,307	3.2%
Chelan	45,358	60,835	74.6	-\$2,549	8.6%
San Juan	9,009	12,898	69.8	\$1,523	3.6%
Okanogan	23,150	38,432	60.2	-\$342	9.7%
Adams	9,106	15,235	59.8	\$38	10.5%
Spokane*	244,497	409,736	59.7	-\$884	5.2%
Columbia	2,447	4,155	58.9	-\$751	11.5%
Whatcom#	92,166	160,310	57.5	\$247	5.1%
Franklin#	26,739	46,782	57.2	-\$2,730	9.5%
Garfield	1,334	2,339	57.0	-\$700	3.8%
Walla Walla	30,642	53,854	56.9	-\$1,078	6.7%
Skagit	57,072	101,180	56.4	\$617	6.3%
Benton#	76,499	137,844	55.5	\$408	5.6%
Whitman	21,021	38,386	54.8	-\$948	1.8%
Grant	38,743	72,019	53.8	-\$310	9.4%
Thurston*	109,633	205,459	53.4	\$2,243	4.6%
Cowlitz	48,819	91,949	53.1	-\$424	7.0%
Kittitas	16,887	32,021	52.7	\$875	5.6%
Lincoln	5,110	9,759	52.4	\$1,096	5.0%
Yakima#	115,160	220,785	52.2	\$385	10.0%
Lewis	34,606	68,621	50.4	-\$196	8.5%
Clallam	31,250	64,690	48.3	\$107	7.2%
Snohomish*	284,010	596,598	47.6	\$5,946	3.9%
Jefferson	12,676	26,748	47.4	\$2,626	5.8%
Pierce*	326,203	688,807	47.4	\$3,633	4.6%
Kitsap*	111,516	236,560	47.1	\$1,008	5.0%
Grays Harbor	31,451	67,102	46.9	\$182	8.3%
Clark*	156,258	336,268	46.5	\$6,119	4.0%
Klickitat	8,907	19,530	45.6	-\$78	9.5%
Pacific	9,215	20,768	44.4	\$675	8.6%
Island*	31,261	73,490	42.5	\$4,316	3.8%
Wahkiakum	1,631	3,841	42.5	\$3,327	6.5%
Stevens	15,977	40,137	39.8	\$1,743	8.6%
Ferry	2,826	7,188	39.3	\$386	11.0%
Pend Oreille	4,224	11,604	36.4	\$889	10.0%
Asotin	7,666	21,206	36.2	\$5,166	3.4%
Mason	17,748	50,357	35.2	\$2,209	6.3%
Douglas	11,691	34,191	34.2	\$5,425	6.8%
Skamania	2,971	9,831	30.2	\$7,732	8.4%

Sources: U.S. Department of Commerce, Bureau of Economic Analysis; U.S. Bureau of Labor Statistics

Table 4.2

1999 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Washington		Adams		Asotin	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	3,490,131	\$36,668	9,106	\$20,257	7,666	\$21,488
Wage and salary employment	2,874,131	\$36,003	7,069	\$22,349	5,509	\$21,792
Proprietors' employment	616,000	\$21,734	2,037	\$4,974	2,157	\$14,510
Farm proprietors' employment	38,947	\$1,984	800	-\$15,300	222	-\$16,901
Nonfarm proprietors' employment	577,053	\$23,067	1,237	\$18,086	1,935	\$18,113
Farm employment	85,828	\$13,175	2,033	\$9,314	279	-\$9,333
Nonfarm employment	3,404,303	\$37,260	7,073	\$23,402	7,387	\$22,652
Private employment	2,868,428	\$36,551	5,591	\$22,062	6,292	\$21,189
Ag. services, forestry, fishing, & other	60,215	\$23,349	(D)	N/A	(D)	N/A
Mining	5,145	\$42,501	(L)	N/A	(D)	N/A
Construction	210,718	\$39,422	(D)	N/A	640	\$36,077
Manufacturing	385,158	\$49,057	1,109	\$28,239	353	\$36,076
Transportation and public utilities	159,644	\$50,613	481	\$33,393	190	\$46,511
Wholesale trade	168,282	\$43,307	637	\$32,184	268	\$20,291
Retail trade	581,168	\$20,152	1,184	\$14,374	1,537	\$16,456
Finance, insurance, and real estate	264,544	\$30,867	330	\$10,476	551	\$12,541
Services	1,033,554	\$39,449	1,173	\$17,721	2,599	\$19,006
Government and government enterprises	535,875	\$41,055	1,482	\$28,456	1,095	\$31,058
Federal, civilian	66,271	\$62,417	52	\$46,000	70	\$54,300
Military	72,636	\$38,571	57	\$13,158	79	\$13,215
State and local	396,968	\$37,943	1,373	\$28,427	946	\$30,828
State	128,228	\$38,320	88	\$32,159	155	\$29,103
Local	268,740	\$37,763	1,285	\$28,171	791	\$31,166
	Benton		Chelan		Clallam	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	76,499	\$32,814	45,358	\$25,934	31,250	\$23,598
Wage and salary employment	63,758	\$33,413	35,968	\$25,113	22,171	\$23,959
Proprietors' employment	12,741	\$12,689	9,390	\$18,803	9,079	\$15,595
Farm proprietors' employment	1,451	\$4,331	1,521	\$842	376	\$2,003
Nonfarm proprietors' employment	11,290	\$13,764	7,869	\$22,274	8,703	\$16,182
Farm employment	4,907	\$18,111	5,092	\$14,016	460	\$5,328
Nonfarm employment	71,592	\$33,822	40,266	\$27,441	30,790	\$23,871
Private employment	61,166	\$32,073	33,873	\$25,494	25,003	\$20,967
Ag. services, forestry, fishing, & other	1,640	\$13,833	2,354	\$18,650	810	\$19,983
Mining	(D)	N/A	(D)	N/A	68	\$19,206
Construction	3,899	\$37,567	2,732	\$30,887	2,295	\$29,640
Manufacturing	4,812	\$42,463	2,976	\$35,655	2,522	\$32,216
Transportation and public utilities	8,058	\$59,672	(D)	N/A	1,037	\$35,621
Wholesale trade	(D)	N/A	2,565	\$28,338	694	\$28,043
Retail trade	13,852	\$15,244	7,956	\$17,744	6,081	\$15,387
Finance, insurance, and real estate	3,977	\$19,068	(D)	N/A	2,422	\$15,642
Services	23,524	\$33,160	11,039	\$26,338	9,074	\$18,694
Government and government enterprises	10,426	\$44,082	6,393	\$37,759	5,787	\$36,415
Federal, civilian	827	\$84,914	697	\$55,574	438	\$50,479
Military	524	\$13,882	227	\$13,396	497	\$28,435
State and local	9,075	\$42,105	5,469	\$36,499	4,852	\$35,963
State	1,057	\$35,784	1,186	\$38,311	1,328	\$36,528
Local	8,018	\$42,938	4,283	\$35,998	3,524	\$35,751

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

1999 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Clark		Columbia		Cowlitz	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	156,258	\$31,430	2,447	\$19,702	48,819	\$29,914
Wage and salary employment	122,050	\$30,633	1,752	\$22,098	40,963	\$29,428
Proprietors' employment	34,208	\$22,652	695	\$6,029	7,856	\$16,980
Farm proprietors' employment	1,505	\$3,793	320	-\$2,600	438	\$5,573
Nonfarm proprietors' employment	32,703	\$23,520	375	\$13,392	7,418	\$17,654
Farm employment	1,817	\$6,685	429	\$4,186	753	\$12,304
Nonfarm employment	154,441	\$31,721	2,018	\$23,000	48,066	\$30,190
Private employment	134,371	\$30,557	1,484	\$19,938	42,034	\$29,638
Ag. services, forestry, fishing, & other	1,928	\$15,749	60	\$20,433	824	\$14,489
Mining	623	\$36,992	(D)	N/A	176	\$70,693
Construction	13,479	\$39,752	109	\$39,128	3,413	\$34,552
Manufacturing	20,330	\$44,994	(D)	N/A	10,360	\$46,465
Transportation and public utilities	7,689	\$46,994	83	\$37,265	1,986	\$43,912
Wholesale trade	6,040	\$42,131	62	\$26,758	1,497	\$34,611
Retail trade	28,241	\$17,708	237	\$10,156	9,039	\$16,689
Finance, insurance, and real estate	13,021	\$23,162	93	\$13,892	2,714	\$18,584
Services	43,020	\$27,535	(D)	N/A	12,025	\$23,436
Government and government enterprises	20,070	\$39,516	534	\$31,511	6,032	\$34,032
Federal, civilian	2,456	\$71,749	59	\$60,322	268	\$55,340
Military	1,256	\$13,545	15	\$13,667	342	\$13,392
State and local	16,358	\$36,670	460	\$28,398	5,422	\$34,281
State	3,039	\$35,569	28	\$35,821	1,074	\$33,219
Local	13,319	\$36,922	432	\$27,917	4,348	\$34,544
	Douglas		Ferry		Franklin	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	11,691	\$19,992	2,826	\$22,352	26,739	\$25,594
Wage and salary employment	9,030	\$22,227	1,869	\$23,175	22,413	\$24,829
Proprietors' employment	2,661	\$3,887	957	\$13,182	4,326	\$15,651
Farm proprietors' employment	1,140	-\$14,613	217	\$10,240	1,205	\$10,134
Nonfarm proprietors' employment	1,521	\$17,752	740	\$14,045	3,121	\$17,781
Farm employment	2,810	\$4,836	221	\$10,240	4,675	\$17,982
Nonfarm employment	8,881	\$24,787	2,605	\$23,380	22,064	\$27,207
Private employment	6,881	\$21,735	1,860	\$20,625	17,843	\$25,341
Ag. services, forestry, fishing, & other	839	\$19,396	73	\$15,575	1,126	\$15,928
Mining	(L)	N/A	(D)	N/A	42	\$45,976
Construction	633	\$30,330	139	\$24,547	1,446	\$35,724
Manufacturing	184	\$40,435	305	\$25,016	1,654	\$34,806
Transportation and public utilities	378	\$32,439	65	\$27,385	1,431	\$40,479
Wholesale trade	337	\$32,754	(D)	N/A	1,655	\$31,254
Retail trade	2,008	\$18,341	418	\$11,842	3,530	\$17,459
Finance, insurance, and real estate	411	\$16,097	143	\$12,455	914	\$13,678
Services	2,085	\$19,049	(D)	N/A	6,045	\$23,043
Government and government enterprises	2,000	\$35,288	745	\$30,259	4,221	\$35,094
Federal, civilian	147	\$65,558	141	\$49,936	470	\$62,923
Military	134	\$14,642	27	\$13,074	174	\$13,230
State and local	1,719	\$34,309	577	\$26,255	3,577	\$32,501
State	78	\$40,141	31	\$33,710	1,000	\$33,139
Local	1,641	\$34,032	546	\$25,832	2,577	\$32,253

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

1999 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Garfield		Grant		Grays Harbor	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	1,334	\$13,911	38,743	\$23,728	31,451	\$26,662
Wage and salary employment	830	\$22,722	30,999	\$23,324	24,760	\$26,593
Proprietors' employment	504	-\$8,444	7,744	\$15,311	6,691	\$16,323
Farm proprietors' employment	277	-\$27,249	2,381	\$9,728	503	\$14,324
Nonfarm proprietors' employment	227	\$14,502	5,363	\$17,790	6,188	\$16,485
Farm employment	338	-\$18,254	7,230	\$18,672	623	\$15,950
Nonfarm employment	996	\$24,826	31,513	\$24,888	30,828	\$26,879
Private employment	587	\$18,235	25,069	\$22,381	25,731	\$25,475
Ag. services, forestry, fishing, & other	(D)	N/A	1,766	\$15,849	(D)	N/A
Mining	0	N/A	(D)	N/A	(D)	N/A
Construction	35	\$34,914	1,520	\$30,414	1,764	\$30,262
Manufacturing	(D)	N/A	5,027	\$30,534	4,827	\$40,625
Transportation and public utilities	(D)	N/A	1,469	\$32,593	1,183	\$43,099
Wholesale trade	149	\$26,899	1,592	\$30,666	827	\$33,330
Retail trade	104	\$11,913	5,506	\$17,103	6,231	\$16,766
Finance, insurance, and real estate	58	\$12,966	(D)	N/A	1,926	\$18,125
Services	167	\$12,467	6,680	\$17,840	7,765	\$21,431
Government and government enterprises	409	\$34,286	6,444	\$34,640	5,097	\$33,964
Federal, civilian	121	\$55,529	286	\$56,080	213	\$53,300
Military	(L)	N/A	268	\$13,321	290	\$16,307
State and local	279	\$25,767	5,890	\$34,569	4,594	\$34,182
State	22	\$34,227	749	\$34,891	752	\$36,072
Local	257	\$25,043	5,141	\$34,522	3,842	\$33,812
	Island		Jefferson		King	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	31,261	\$29,235	12,676	\$20,707	1,414,652	\$47,598
Wage and salary employment	23,069	\$26,796	8,438	\$22,289	1,208,793	\$46,098
Proprietors' employment	8,192	\$14,212	4,238	\$12,195	205,859	\$31,666
Farm proprietors' employment	339	\$5,693	168	\$11,750	1,377	\$1,412
Nonfarm proprietors' employment	7,853	\$14,579	4,070	\$12,213	204,482	\$31,870
Farm employment	426	\$10,157	203	\$13,892	2,262	\$14,377
Nonfarm employment	30,835	\$29,499	12,473	\$20,818	1,412,390	\$47,651
Private employment	18,565	\$19,043	10,360	\$18,347	1,255,774	\$48,176
Ag. services, forestry, fishing, & other	630	\$10,319	475	\$13,179	15,293	\$42,352
Mining	(D)	N/A	(D)	N/A	1,231	\$39,466
Construction	1,959	\$31,101	1,084	\$24,065	76,989	\$47,443
Manufacturing	1,021	\$28,974	1,209	\$31,596	160,347	\$56,899
Transportation and public utilities	549	\$35,381	272	\$36,140	83,844	\$56,582
Wholesale trade	(D)	N/A	(D)	N/A	89,105	\$51,267
Retail trade	4,707	\$14,786	2,314	\$13,937	222,888	\$24,620
Finance, insurance, and real estate	2,557	\$17,356	1,054	\$11,045	123,401	\$39,899
Services	6,697	\$16,983	3,732	\$16,038	482,676	\$56,565
Government and government enterprises	12,270	\$45,319	2,113	\$32,935	156,616	\$43,441
Federal, civilian	1,419	\$43,477	161	\$60,988	20,879	\$67,888
Military	7,879	\$49,901	110	\$15,918	7,581	\$21,132
State and local	2,972	\$34,049	1,842	\$31,499	128,156	\$40,777
State	381	\$33,207	315	\$39,851	46,586	\$38,593
Local	2,591	\$34,173	1,527	\$29,776	81,570	\$42,025

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

1999 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Kitsap		Kittitas		Klickitat	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	111,516	\$32,217	16,887	\$23,015	8,907	\$24,632
Wage and salary employment	88,792	\$29,651	12,577	\$22,270	6,298	\$27,151
Proprietors' employment	22,724	\$14,483	4,310	\$16,690	2,609	\$10,618
Farm proprietors' employment	434	\$7,016	1,009	-\$4,863	692	-\$1,788
Nonfarm proprietors' employment	22,290	\$14,628	3,301	\$23,277	1,917	\$15,097
Farm employment	482	\$8,332	1,533	\$4,272	1,157	\$8,357
Nonfarm employment	111,034	\$32,321	15,354	\$24,886	7,750	\$27,062
Private employment	72,174	\$22,120	11,191	\$21,698	6,081	\$25,658
Ag. services, forestry, fishing, & other	1,689	\$20,297	325	\$13,351	423	\$16,676
Mining	106	\$39,830	(D)	N/A	24	\$24,583
Construction	6,181	\$33,061	819	\$30,306	548	\$21,828
Manufacturing	3,019	\$24,491	973	\$32,745	1,366	\$44,033
Transportation and public utilities	2,547	\$31,837	680	\$57,649	554	\$54,987
Wholesale trade	1,635	\$30,442	482	\$39,162	156	\$18,718
Retail trade	18,791	\$16,345	3,604	\$15,182	997	\$12,471
Finance, insurance, and real estate	7,450	\$16,922	(D)	N/A	507	\$15,227
Services	30,756	\$23,267	3,533	\$16,484	1,506	\$15,098
Government and government enterprises	38,860	\$51,268	4,163	\$33,456	1,669	\$32,174
Federal, civilian	14,248	\$68,890	161	\$52,783	107	\$49,009
Military	13,265	\$45,894	130	\$19,192	73	\$13,178
State and local	11,347	\$35,423	3,872	\$33,132	1,489	\$31,896
State	2,151	\$36,139	2,126	\$35,058	199	\$35,487
Local	9,196	\$35,255	1,746	\$30,786	1,290	\$31,342

	Lewis		Lincoln		Mason	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	34,606	\$26,064	5,110	\$16,612	17,748	\$25,733
Wage and salary employment	26,835	\$26,123	3,223	\$21,350	13,173	\$25,469
Proprietors' employment	7,771	\$16,222	1,887	\$3,321	4,575	\$18,181
Farm proprietors' employment	1,469	\$10,020	865	-\$9,025	274	\$2,536
Nonfarm proprietors' employment	6,302	\$17,668	1,022	\$13,770	4,301	\$19,177
Farm employment	1,813	\$12,448	1,174	-\$1,329	315	\$5,644
Nonfarm employment	32,793	\$26,817	3,936	\$21,963	17,433	\$26,096
Private employment	27,564	\$25,702	2,597	\$19,392	13,765	\$23,680
Ag. services, forestry, fishing, & other	1,009	\$17,443	168	\$20,655	646	\$14,762
Mining	(D)	N/A	(L)	N/A	26	\$300,654
Construction	1,843	\$34,968	188	\$18,878	1,419	\$32,310
Manufacturing	4,489	\$34,554	85	\$19,800	2,166	\$39,331
Transportation and public utilities	1,555	\$41,523	113	\$48,531	519	\$41,757
Wholesale trade	1,129	\$32,590	281	\$35,367	496	\$24,135
Retail trade	7,813	\$18,459	651	\$12,551	2,996	\$15,564
Finance, insurance, and real estate	(D)	N/A	314	\$14,955	1,326	\$13,385
Services	7,405	\$21,664	791	\$16,901	4,171	\$19,071
Government and government enterprises	5,229	\$32,693	1,339	\$26,950	3,668	\$35,163
Federal, civilian	298	\$52,070	71	\$44,479	109	\$48,716
Military	255	\$13,247	36	\$13,333	187	\$13,257
State and local	4,676	\$32,519	1,232	\$26,338	3,372	\$35,940
State	1,196	\$34,641	81	\$37,333	1,036	\$39,717
Local	3,480	\$31,789	1,151	\$25,564	2,336	\$34,265

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

1999 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Okanogan		Pacific		Pend Oreille	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	23,150	\$20,815	9,215	\$21,846	4,224	\$25,828
Wage and salary employment	17,442	\$20,823	6,472	\$21,195	2,753	\$26,107
Proprietors' employment	5,708	\$12,380	2,743	\$17,220	1,471	\$18,553
Farm proprietors' employment	1,704	-\$6,752	318	\$37,025	303	\$2,079
Nonfarm proprietors' employment	4,004	\$20,523	2,425	\$14,623	1,168	\$22,826
Farm employment	4,592	\$8,149	375	\$34,805	311	\$2,434
Nonfarm employment	18,558	\$23,950	8,840	\$21,296	3,913	\$27,687
Private employment	14,614	\$20,800	7,085	\$18,420	2,957	\$25,865
Ag. services, forestry, fishing, & other	998	\$15,005	881	\$11,464	55	\$5,891
Mining	100	\$27,330	42	\$32,000	(D)	N/A
Construction	939	\$20,444	400	\$22,238	244	\$19,299
Manufacturing	1,466	\$31,688	1,025	\$32,530	669	\$60,172
Transportation and public utilities	558	\$34,898	183	\$26,109	189	\$37,497
Wholesale trade	1,095	\$23,096	52	\$43,712	(D)	N/A
Retail trade	3,192	\$15,682	1,693	\$13,089	668	\$12,392
Finance, insurance, and real estate	1,050	\$10,599	587	\$13,206	216	\$10,134
Services	5,216	\$21,984	2,222	\$17,941	874	\$14,735
Government and government enterprises	3,944	\$35,619	1,755	\$32,905	956	\$33,324
Federal, civilian	796	\$56,966	62	\$46,065	113	\$48,080
Military	143	\$13,231	160	\$26,694	43	\$13,279
State and local	3,005	\$31,030	1,533	\$33,021	800	\$32,318
State	306	\$35,722	313	\$35,764	30	\$40,367
Local	2,699	\$30,498	1,220	\$32,317	770	\$32,004
	Pierce		San Juan		Skagit	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	326,203	\$31,107	9,009	\$20,867	57,072	\$27,139
Wage and salary employment	270,580	\$29,388	5,285	\$22,156	44,330	\$26,357
Proprietors' employment	55,623	\$19,018	3,724	\$15,793	12,742	\$20,421
Farm proprietors' employment	1,269	\$3,875	216	-\$1,894	966	\$18,604
Nonfarm proprietors' employment	54,354	\$19,372	3,508	\$16,882	11,776	\$20,570
Farm employment	2,123	\$12,862	227	-\$802	3,177	\$24,971
Nonfarm employment	324,080	\$31,227	8,782	\$21,427	53,895	\$27,267
Private employment	252,929	\$28,173	7,785	\$19,918	45,425	\$25,916
Ag. services, forestry, fishing, & other	4,241	\$18,554	341	\$10,845	1,999	\$25,789
Mining	280	\$36,271	(D)	N/A	73	\$20,945
Construction	21,009	\$35,780	1,175	\$30,577	4,446	\$35,408
Manufacturing	25,986	\$43,248	354	\$25,438	5,838	\$37,114
Transportation and public utilities	11,227	\$43,796	323	\$27,963	2,154	\$41,021
Wholesale trade	13,354	\$37,321	(D)	N/A	1,836	\$29,388
Retail trade	57,104	\$18,315	1,530	\$16,934	11,162	\$18,137
Finance, insurance, and real estate	25,520	\$28,449	1,029	\$14,488	3,445	\$20,012
Services	94,208	\$25,469	2,871	\$18,191	14,472	\$23,240
Government and government enterprises	71,151	\$42,082	997	\$33,211	8,470	\$34,513
Federal, civilian	9,398	\$48,363	63	\$46,571	395	\$52,835
Military	23,054	\$44,783	48	\$13,229	379	\$13,425
State and local	38,699	\$38,948	886	\$33,343	7,696	\$34,611
State	10,912	\$36,721	98	\$26,020	1,362	\$37,403
Local	27,787	\$39,823	788	\$34,254	6,334	\$34,011

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

1999 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Skamania		Snohomish		Spokane	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	2,971	\$24,389	284,010	\$34,052	244,497	\$29,206
Wage and salary employment	2,155	\$25,272	233,050	\$33,839	202,278	\$28,571
Proprietors' employment	816	\$10,815	50,960	\$17,281	42,219	\$16,640
Farm proprietors' employment	86	-\$9,791	1,432	-\$1,964	2,137	-\$2,189
Nonfarm proprietors' employment	730	\$13,242	49,528	\$17,838	40,082	\$17,644
Farm employment	99	-\$6,657	2,177	\$8,807	2,503	\$1,573
Nonfarm employment	2,872	\$25,459	281,833	\$34,247	241,994	\$29,492
Private employment	2,047	\$20,557	242,553	\$33,321	206,426	\$27,793
Ag. services, forestry, fishing, & other	40	\$8,900	4,446	\$18,960	2,366	\$16,145
Mining	(D)	N/A	252	\$28,421	289	\$66,076
Construction	177	\$32,102	21,880	\$38,437	15,021	\$34,122
Manufacturing	383	\$31,856	62,137	\$55,102	23,262	\$38,532
Transportation and public utilities	95	\$47,568	7,677	\$39,514	9,535	\$46,890
Wholesale trade	(D)	N/A	9,222	\$35,876	14,164	\$36,854
Retail trade	321	\$12,012	48,979	\$18,593	43,139	\$17,509
Finance, insurance, and real estate	171	\$7,877	20,168	\$26,407	20,901	\$26,094
Services	806	\$15,543	67,792	\$24,314	77,749	\$25,741
Government and government enterprises	825	\$37,623	39,280	\$39,970	35,568	\$39,349
Federal, civilian	192	\$66,005	2,432	\$53,410	4,323	\$59,378
Military	37	\$13,108	7,575	\$37,380	4,974	\$39,233
State and local	596	\$30,002	29,273	\$39,523	26,271	\$36,075
State	47	\$36,277	4,885	\$38,721	8,826	\$36,965
Local	549	\$29,464	24,388	\$39,684	17,445	\$35,624
	Stevens		Thurston		Wahkiakum	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	15,977	\$22,208	109,633	\$29,946	1,631	\$20,364
Wage and salary employment	10,632	\$24,577	88,829	\$29,799	942	\$25,057
Proprietors' employment	5,345	\$11,248	20,804	\$16,045	689	\$9,778
Farm proprietors' employment	1,327	\$2,649	1,012	\$2,256	171	\$1,737
Nonfarm proprietors' employment	4,018	\$14,087	19,792	\$16,750	518	\$12,432
Farm employment	1,393	\$3,573	1,810	\$14,898	178	\$2,129
Nonfarm employment	14,584	\$23,988	107,823	\$30,199	1,453	\$22,598
Private employment	11,991	\$22,338	73,958	\$25,437	1,184	\$20,996
Ag. services, forestry, fishing, & other	303	\$12,455	1,838	\$14,374	184	\$11,886
Mining	93	\$40,140	111	\$30,514	(L)	N/A
Construction	873	\$19,554	6,190	\$32,421	78	\$16,987
Manufacturing	2,467	\$37,795	5,003	\$35,923	308	\$38,847
Transportation and public utilities	614	\$38,396	2,959	\$35,321	55	\$48,218
Wholesale trade	283	\$21,307	2,706	\$35,861	(L)	N/A
Retail trade	2,418	\$13,262	18,347	\$19,939	186	\$11,113
Finance, insurance, and real estate	896	\$10,467	7,042	\$21,641	81	\$13,185
Services	4,044	\$19,531	29,762	\$25,242	285	\$12,530
Government and government enterprises	2,593	\$31,617	33,865	\$40,600	269	\$29,651
Federal, civilian	383	\$49,809	988	\$61,311	16	\$38,063
Military	149	\$13,262	792	\$15,802	14	\$13,500
State and local	2,061	\$29,563	32,085	\$40,574	239	\$30,033
State	330	\$39,570	22,283	\$43,956	15	\$40,667
Local	1,731	\$27,656	9,802	\$32,886	224	\$29,321

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

1999 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Walla Walla		Whatcom		Whitman	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	30,642	\$25,825	92,166	\$26,600	21,021	\$23,737
Wage and salary employment	25,179	\$25,689	71,993	\$26,163	16,511	\$24,818
Proprietors' employment	5,463	\$12,532	20,173	\$18,509	4,510	\$5,646
Farm proprietors' employment	1,196	-\$8,289	1,686	\$14,243	1,457	-\$10,808
Nonfarm proprietors' employment	4,267	\$18,368	18,487	\$18,898	3,053	\$13,498
Farm employment	3,154	\$10,720	3,353	\$19,810	1,844	-\$3,845
Nonfarm employment	27,488	\$27,558	88,813	\$26,856	19,177	\$26,390
Private employment	22,579	\$25,113	77,308	\$26,103	10,676	\$19,386
Ag. services, forestry, fishing, & other	(D)	N/A	2,486	\$12,098	289	\$24,446
Mining	(L)	N/A	211	\$31,725	(D)	N/A
Construction	1,163	\$30,032	8,246	\$37,359	(D)	N/A
Manufacturing	4,073	\$34,665	10,135	\$39,449	624	\$37,481
Transportation and public utilities	(D)	N/A	3,408	\$38,323	565	\$31,356
Wholesale trade	1,124	\$27,716	4,035	\$32,350	1,035	\$31,520
Retail trade	4,476	\$16,068	17,402	\$16,079	2,898	\$11,878
Finance, insurance, and real estate	1,541	\$20,633	6,179	\$25,141	929	\$16,383
Services	8,281	\$23,001	25,206	\$22,892	3,709	\$16,902
Government and government enterprises	4,909	\$38,801	11,505	\$31,921	8,501	\$35,185
Federal, civilian	852	\$63,202	845	\$66,364	276	\$56,047
Military	203	\$14,502	617	\$14,271	157	\$20,338
State and local	3,854	\$34,687	10,043	\$30,107	8,068	\$34,760
State	1,593	\$38,303	3,556	\$24,188	6,118	\$36,889
Local	2,261	\$32,139	6,487	\$33,351	1,950	\$28,080
Yakima						
	Employment	Earnings/Job				
Total full-time and part-time employment	115,160	\$25,144				
Wage and salary employment	95,361	\$24,450				
Proprietors' employment	19,799	\$16,538				
Farm proprietors' employment	4,684	\$5,804				
Nonfarm proprietors' employment	15,115	\$19,865				
Farm employment	17,480	\$17,255				
Nonfarm employment	97,680	\$26,556				
Private employment	83,055	\$24,934				
Ag. services, forestry, fishing, & other	4,712	\$18,024				
Mining	(D)	N/A				
Construction	4,878	\$28,152				
Manufacturing	11,776	\$32,160				
Transportation and public utilities	3,353	\$38,548				
Wholesale trade	7,628	\$30,544				
Retail trade	16,968	\$17,294				
Finance, insurance, and real estate	(D)	N/A				
Services	28,734	\$24,699				
Government and government enterprises	14,625	\$35,768				
Federal, civilian	1,439	\$54,983				
Military	876	\$15,521				
State and local	12,310	\$34,963				
State	2,896	\$37,971				
Local	9,414	\$34,037				

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.3

Personal Income by Major Source and Earnings by Industry², 1999

(Thousands of Dollars)

	Washington	Adams	Asotin	Benton	Chelan
Income by Place of Residence					
Personal income (thousands of dollars)	174,876,529	319,040	458,366	3,446,602	1,550,254
Nonfarm personal income	173,745,718	300,104	460,970	3,357,730	1,478,887
Farm income ³	1,130,811	18,936	-2,604	88,872	71,367
Population (number of persons)**	5,756,361	15,235	21,206	137,844	60,835
Per capita personal income (dollars)	30,380	20,941	21,615	25,004	25,483
Derivation of Total Personal Income					
Earnings by place of work	127,975,210	184,459	164,728	2,510,250	1,176,311
Less: Personal cont. for social insurance ⁴	7,903,107	9,542	11,340	148,223	64,626
Plus: Adjustment for residence ⁵	2,102,760	574	109,540	56,296	-155,061
Equals: Net earnings by place of residence	122,174,863	175,491	262,928	2,418,323	956,624
Plus: Dividends, interest, and rent ⁶	32,264,589	73,522	99,954	576,397	339,160
Plus: Transfer payments	20,437,077	70,027	95,484	451,882	254,470
Earnings by Place of Work					
Wage and salary disbursements	103,477,656	157,984	120,050	2,130,369	903,275
Other labor income	11,109,117	16,343	13,381	218,205	96,477
Proprietors' income ⁷	13,388,437	10,132	31,297	161,676	176,559
Farm proprietors' income	77,275	-12,240	-3,752	6,285	1,281
Nonfarm proprietors' income	13,311,162	22,372	35,049	155,391	175,278
Earnings by Industry					
Farm earnings	1,130,811	18,936	-2,604	88,872	71,367
Nonfarm earnings	126,844,399	165,523	167,332	2,421,378	1,104,944
Private earnings	104,844,143	123,351	133,324	1,961,781	863,553
Ag. serv., forestry, fishing, and other ⁸	1,405,940	(D)	(D)	22,686	43,903
Agricultural services	818,491	(D)	(D)	21,876	(D)
Forestry, fishing, and other ⁸	587,449	189	270	810	(D)
Forestry	184,100	0	80	87	(D)
Fishing	403,349	189	190	723	631
Other ⁸	0	0	0	0	0
Mining	218,667	0	(D)	(D)	(D)
Metal mining	27,420	0	101	0	(D)
Coal mining	(D)	0	0	0	0
Oil and gas extraction	(D)	0	0	0	0
Nonmetallic minerals, except fuels	119,138	0	(D)	(D)	(D)
Construction	8,306,914	(D)	23,089	146,473	84,384
General building contractors	2,289,776	(D)	2,350	25,679	22,797
Heavy construction contractors	1,035,553	737	7,354	12,878	22,467
Special trade contractors	4,981,585	3,880	13,385	107,916	39,120
Manufacturing	18,894,853	31,317	12,735	204,333	106,109
Durable goods	14,211,832	395	12,615	41,677	75,491
Lumber and wood products	1,694,101	0	8,376	(D)	9,815
Furniture and fixtures	181,357	0	(D)	(D)	0
Stone, clay, and glass products	374,963	(D)	(D)	1,191	795
Primary metal industries	578,447	0	0	17,070	45,889
Fabricated metal products	572,230	0	(D)	6,100	2,223
Industrial machinery and equipment	1,365,182	(D)	(D)	4,625	2,446

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1999

(Thousands of Dollars)

	Washington	Adams	Asotin	Benton	Chelan
Electronic and other electric equipment	915,643	0	0	1,487	(D)
Motor vehicles and equipment	313,591	(D)	0	0	0
Other transportation equipment	6,919,673	0	(D)	(D)	(D)
Instruments and related products	898,119	0	(D)	8,846	(D)
Miscellaneous manufacturing industries	398,526	0	(D)	445	941
Ordnance	(N)	(N)	(N)	(N)	(N)
Nondurable goods	4,683,021	30,922	120	162,656	30,618
Food and kindred products	1,409,769	30,294	(D)	75,982	11,795
Tobacco products	0	0	0	0	0
Textile mill products	41,198	0	0	(D)	0
Apparel and other textile products	186,799	0	(D)	612	(D)
Paper and allied products	886,905	0	0	0	(D)
Printing and publishing	1,018,164	(D)	0	11,004	8,954
Chemicals and allied products	621,607	(D)	0	74,851	(D)
Petroleum and coal products	156,611	0	0	0	0
Rubber and misc. plastics products	352,446	(D)	0	(D)	6,005
Leather and leather products	9,522	0	0	0	0
Transportation and public utilities	8,080,027	16,062	8,837	480,837	(D)
Railroad transportation	(D)	677	0	2,962	5,093
Trucking and warehousing	1,495,580	11,765	3,481	13,277	35,927
Water transportation	555,399	0	(D)	(D)	(D)
Other transportation	(D)	(D)	684	(D)	(D)
Local and interurban passenger transit	187,026	0	548	1,104	2,443
Transportation by air	1,129,460	0	(D)	(D)	3,581
Pipelines, except natural gas	(D)	0	0	0	0
Transportation services	504,090	(D)	(D)	3,179	(D)
Communications	2,654,396	(D)	1,935	17,966	7,457
Electric, gas, and sanitary services	1,247,855	(D)	(D)	441,277	7,145
Wholesale trade	7,287,851	20,501	5,438	(D)	72,688
Retail trade	11,711,509	17,019	25,293	211,153	141,175
Building materials and garden equipment	709,465	872	2,253	12,434	14,249
General merchandise stores	1,161,909	(D)	(D)	32,946	14,716
Food stores	1,835,826	3,971	4,623	31,605	22,464
Automotive dealers and service stations	1,846,643	3,987	2,650	34,134	22,423
Apparel and accessory stores	638,180	(D)	(L)	8,047	2,337
Home furniture and furnishings stores	756,682	534	(D)	9,750	8,433
Eating and drinking places	2,796,499	4,641	5,349	53,080	31,756
Miscellaneous retail	1,966,305	2,374	4,346	29,157	24,797
Finance, insurance, and real estate	8,165,583	3,457	6,910	75,833	(D)
Depository & non-depository institutions	2,260,513	1,572	(D)	22,591	17,082
Other finance, insurance, & real estate	5,905,070	1,885	(D)	53,242	(D)
Security & commodity brokers	981,826	(D)	(D)	10,539	3,563
Insurance carriers	1,420,872	(D)	(D)	5,545	3,671
Insurance agents, brokers, and service	840,108	983	1,629	9,500	7,211
Real estate	2,367,774	754	2,887	26,525	25,818

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1999

(Thousands of Dollars)

	Washington	Adams	Asotin	Benton	Chelan
Combined real estate, insurance, etc.	(N)	(N)	(N)	(N)	(N)
Holding and other investment offices	294,490	(D)	75	1,133	(D)
Services	40,772,799	20,787	49,396	780,054	290,741
Hotels and other lodging places	727,167	877	1,868	9,062	14,113
Personal services	958,896	629	3,555	14,867	7,619
Private households	(D)	(D)	(D)	(D)	(D)
Business services	17,534,958	733	4,812	104,663	24,506
Auto repair, services, and parking	1,045,844	2,016	1,671	14,206	9,486
Miscellaneous repair services	428,661	901	(D)	4,201	3,857
Amusement and recreation services	1,090,673	466	2,078	12,430	6,737
Motion pictures	200,604	161	(D)	1,553	728
Health services	8,840,472	8,885	21,407	121,584	152,391
Legal services	1,927,254	640	1,715	15,908	15,889
Educational services	889,993	(D)	(D)	16,917	2,636
Social services	1,153,190	1,229	2,819	24,678	11,256
Museums, botanical, zoological gardens	(D)	0	0	(D)	116
Membership organizations	1,183,602	2,015	2,951	21,162	10,830
Engineering and management services	4,081,179	1,033	1,530	409,911	19,592
Miscellaneous services	505,475	243	2,827	5,971	(D)
Government and government enterprises	22,000,256	42,172	34,008	459,597	241,391
Federal, civilian	4,136,445	2,392	3,801	70,224	38,735
Military	2,801,656	750	1,044	7,274	3,041
State and local	15,062,155	39,030	29,163	382,099	199,615
State	4,913,699	2,830	4,511	37,824	45,437
Local	10,148,456	36,200	24,652	344,275	154,178

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1999

(Thousands of Dollars)

	Clallam	Clark	Columbia	Cowlitz	Douglas
Income by Place of Residence					
Personal income (thousands of dollars)	1,517,235	9,454,418	84,169	2,094,877	656,611
Nonfarm personal income	1,514,784	9,442,271	82,373	2,085,612	643,023
Farm income ³	2,451	12,147	1,796	9,265	13,588
Population (number of persons)**	64,690	336,268	4,155	91,949	34,191
Per capita personal income (dollars)	23,454	28,116	20,257	22,783	19,204
Derivation of Total Personal Income					
Earnings by place of work	737,430	4,911,242	48,211	1,460,360	233,721
Less: Personal cont. for social insurance ⁴	45,166	307,789	2,533	96,332	14,292
Plus: Adjustment for residence ⁵	6,894	2,057,456	-3,120	-38,952	185,470
Equals: Net earnings by place of residence	699,158	6,660,909	42,558	1,325,076	404,899
Plus: Dividends, interest, and rent ⁶	488,733	1,767,878	23,467	372,608	137,763
Plus: Transfer payments	329,344	1,025,631	18,144	397,193	113,949
Earnings by Place of Work					
Wage and salary disbursements	531,185	3,738,710	38,715	1,205,473	200,710
Other labor income	64,659	397,650	5,306	121,490	22,669
Proprietors' income ⁷	141,586	774,882	4,190	133,397	10,342
Farm proprietors' income	753	5,709	-832	2,441	-16,659
Nonfarm proprietors' income	140,833	769,173	5,022	130,956	27,001
Earnings by Industry					
Farm earnings	2,451	12,147	1,796	9,265	13,588
Nonfarm earnings	734,979	4,899,095	46,415	1,451,095	220,133
Private earnings	524,243	4,106,015	29,588	1,245,811	149,557
Ag. serv., forestry, fishing, and other ⁸	16,186	30,364	1,226	11,939	16,273
Agricultural services	2,772	24,947	(D)	(D)	(D)
Forestry, fishing, and other ⁸	13,414	5,417	(D)	(D)	(D)
Forestry	5,632	(D)	(L)	5,386	(L)
Fishing	7,782	(D)	(D)	(D)	(D)
Other ⁸	0	0	0	0	0
Mining	1,306	23,046	(D)	12,442	182
Metal mining	62	(D)	0	(D)	0
Coal mining	0	0	0	0	0
Oil and gas extraction	0	0	0	0	0
Nonmetallic minerals, except fuels	1,244	(D)	(D)	(D)	182
Construction	68,024	535,811	4,265	117,925	19,199
General building contractors	19,822	116,281	(D)	30,079	5,491
Heavy construction contractors	8,712	72,605	(D)	13,537	4,191
Special trade contractors	39,490	346,925	2,076	74,309	9,517
Manufacturing	81,248	914,732	(D)	481,374	7,440
Durable goods	51,762	617,209	(D)	202,331	6,980
Lumber and wood products	44,035	45,373	1,886	99,480	(D)
Furniture and fixtures	(D)	(D)	0	(D)	0
Stone, clay, and glass products	4,551	13,403	(D)	1,527	(D)
Primary metal industries	0	35,748	0	60,373	(D)
Fabricated metal products	(D)	47,393	(D)	4,999	(D)
Industrial machinery and equipment	162	238,474	0	23,078	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1999

(Thousands of Dollars)

	Clallam	Clark	Columbia	Cowlitz	Douglas
Electronic and other electric equipment	0	198,249	0	2,127	0
Motor vehicles and equipment	0	8,522	0	0	0
Other transportation equipment	(D)	(D)	(D)	(D)	(D)
Instruments and related products	(D)	13,210	0	(D)	0
Miscellaneous manufacturing industries	710	6,505	0	8,086	0
Ordnance	(N)	(N)	(N)	(N)	(N)
Nondurable goods	29,486	297,523	(D)	279,043	460
Food and kindred products	1,172	(D)	(D)	(D)	(D)
Tobacco products	0	0	0	0	0
Textile mill products	(D)	17,297	0	0	0
Apparel and other textile products	503	6,644	0	(D)	0
Paper and allied products	(D)	149,746	0	224,445	0
Printing and publishing	5,417	24,559	(D)	9,923	(D)
Chemicals and allied products	(D)	18,987	0	18,729	0
Petroleum and coal products	0	0	0	(D)	0
Rubber and misc. plastics products	(D)	31,464	0	2,518	0
Leather and leather products	0	(D)	0	0	0
Transportation and public utilities	36,939	361,338	3,093	87,210	12,262
Railroad transportation	0	36,584	82	7,351	659
Trucking and warehousing	20,267	91,691	(D)	38,699	8,437
Water transportation	2,151	26,746	(D)	22,298	0
Other transportation	6,504	23,063	(D)	4,779	2,978
Local and interurban passenger transit	2,195	(D)	(D)	(D)	(D)
Transportation by air	2,886	(D)	0	(D)	(D)
Pipelines, except natural gas	0	0	0	0	0
Transportation services	1,423	11,866	0	1,716	(D)
Communications	4,428	168,332	(D)	7,408	(D)
Electric, gas, and sanitary services	3,589	14,922	(D)	6,675	(D)
Wholesale trade	19,462	254,469	1,659	51,813	11,038
Retail trade	93,566	500,094	2,407	150,854	36,829
Building materials and garden equipment	7,507	25,681	(D)	5,980	677
General merchandise stores	13,616	45,362	(D)	18,590	9,310
Food stores	21,686	90,771	688	33,128	5,967
Automotive dealers and service stations	14,882	88,413	(D)	31,194	4,543
Apparel and accessory stores	1,545	11,549	(D)	1,336	1,760
Home furniture and furnishings stores	4,354	18,720	(D)	7,910	2,689
Eating and drinking places	19,315	120,233	(D)	38,654	8,676
Miscellaneous retail	10,661	99,365	(D)	14,062	3,207
Finance, insurance, and real estate	37,885	301,590	1,292	50,437	6,616
Depository & non-depository institutions	(D)	92,428	726	23,390	2,628
Other finance, insurance, & real estate	(D)	209,162	566	27,047	3,988
Security & commodity brokers	3,138	9,644	0	1,015	0
Insurance carriers	3,282	36,755	0	3,427	(D)
Insurance agents, brokers, and service	3,437	31,341	209	6,330	730
Real estate	17,196	120,560	343	14,738	2,420

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1999

(Thousands of Dollars)

	Clallam	Clark	Columbia	Cowlitz	Douglas
Combined real estate, insurance, etc.	(N)	(N)	(N)	(N)	(N)
Holding and other investment offices	(D)	10,862	(L)	1,537	(D)
Services	169,627	1,184,571	(D)	281,817	39,718
Hotels and other lodging places	8,384	33,789	157	4,357	(D)
Personal services	7,320	50,967	(D)	8,606	3,165
Private households	(D)	(D)	63	(D)	(D)
Business services	14,555	251,354	189	45,734	3,453
Auto repair, services, and parking	8,372	54,503	(D)	10,663	3,400
Miscellaneous repair services	4,666	25,343	(D)	5,997	1,393
Amusement and recreation services	8,207	40,139	(D)	4,822	4,722
Motion pictures	737	4,495	(D)	845	(D)
Health services	57,103	408,473	821	132,131	10,722
Legal services	5,229	49,149	(D)	14,604	(D)
Educational services	2,394	17,542	(D)	4,055	1,066
Social services	10,477	50,393	(D)	12,801	1,528
Museums, botanical, zoological gardens	(L)	(D)	(D)	(D)	0
Membership organizations	23,740	45,060	(D)	13,667	4,007
Engineering and management services	12,378	134,703	103	17,518	2,952
Miscellaneous services	(D)	13,367	201	(D)	(D)
Government and government enterprises	210,736	793,080	16,827	205,284	70,576
Federal, civilian	22,110	176,216	3,559	14,831	9,637
Military	14,132	17,013	205	4,580	1,962
State and local	174,494	599,851	13,063	185,873	58,977
State	48,509	108,093	1,003	35,677	3,131
Local	125,985	491,758	12,060	150,196	55,846

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1999

(Thousands of Dollars)

	Ferry	Franklin	Garfield	Grant	Grays Harbor
Income by Place of Residence					
Personal income (thousands of dollars)	117,203	840,239	42,656	1,398,915	1,409,431
Nonfarm personal income	114,940	756,174	48,826	1,263,918	1,399,494
Farm income ³	2,263	84,065	-6,170	134,997	9,937
Population (number of persons)**	7,188	46,782	2,339	72,019	67,102
Per capita personal income (dollars)	16,305	17,961	18,237	19,424	21,004
Derivation of Total Personal Income					
Earnings by place of work	63,168	684,363	18,557	919,294	838,550
Less: Personal cont. for social insurance ⁴	3,172	35,327	1,035	44,984	53,105
Plus: Adjustment for residence ⁵	2,777	-127,727	-1,637	-22,346	12,196
Equals: Net earnings by place of residence	62,773	521,309	15,885	851,964	797,641
Plus: Dividends, interest, and rent ⁶	21,987	140,304	16,496	270,788	271,736
Plus: Transfer payments	32,443	178,626	10,275	276,163	340,054
Earnings by Place of Work					
Wage and salary disbursements	43,315	556,484	18,859	723,030	658,435
Other labor income	7,238	60,174	3,954	77,695	70,898
Proprietors' income ⁷	12,615	67,705	-4,256	118,569	109,217
Farm proprietors' income	2,222	12,211	-7,548	23,163	7,205
Nonfarm proprietors' income	10,393	55,494	3,292	95,406	102,012
Earnings by Industry					
Farm earnings	2,263	84,065	-6,170	134,997	9,937
Nonfarm earnings	60,905	600,298	24,727	784,297	828,613
Private earnings	38,362	452,167	10,704	561,077	655,500
Ag. serv., forestry, fishing, and other ⁸	1,137	17,935	(D)	27,989	(D)
Agricultural services	(D)	17,567	(D)	(D)	2,698
Forestry, fishing, and other ⁸	(D)	368	(L)	(D)	(D)
Forestry	(D)	87	0	103	(D)
Fishing	112	281	(L)	(D)	12,776
Other ⁸	0	0	0	0	0
Mining	(D)	1,931	0	(D)	(D)
Metal mining	(D)	0	0	(L)	(L)
Coal mining	0	0	0	0	0
Oil and gas extraction	0	0	0	0	0
Nonmetallic minerals, except fuels	195	1,931	0	(D)	(D)
Construction	3,412	51,657	1,222	46,230	53,382
General building contractors	1,018	4,940	565	9,277	17,665
Heavy construction contractors	715	9,959	(D)	8,016	14,493
Special trade contractors	1,679	36,758	(D)	28,937	21,224
Manufacturing	7,630	57,569	(D)	153,495	196,096
Durable goods	(D)	12,255	0	49,082	132,006
Lumber and wood products	6,986	4,500	0	(D)	93,561
Furniture and fixtures	0	(D)	0	(D)	(D)
Stone, clay, and glass products	(D)	(D)	0	1,666	(D)
Primary metal industries	0	(D)	0	25,484	(D)
Fabricated metal products	0	(D)	0	(D)	(D)
Industrial machinery and equipment	(D)	1,487	0	2,685	24,154

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1999

(Thousands of Dollars)

	Ferry	Franklin	Garfield	Grant	Grays Harbor
Electronic and other electric equipment	0	(D)	0	(D)	(D)
Motor vehicles and equipment	0	0	0	(D)	0
Other transportation equipment	0	(D)	0	(D)	10,367
Instruments and related products	0	(D)	0	(D)	0
Miscellaneous manufacturing industries	0	(D)	0	0	695
Ordnance	(N)	(N)	(N)	(N)	(N)
Nondurable goods	(D)	45,314	(D)	104,413	64,090
Food and kindred products	0	44,281	(D)	88,725	8,295
Tobacco products	0	0	0	0	0
Textile mill products	0	0	0	0	0
Apparel and other textile products	0	(D)	0	119	0
Paper and allied products	0	0	0	(D)	44,251
Printing and publishing	(D)	681	(D)	3,417	(D)
Chemicals and allied products	0	(D)	0	(D)	8,686
Petroleum and coal products	0	0	0	0	0
Rubber and misc. plastics products	0	(D)	0	0	(D)
Leather and leather products	0	0	0	0	0
Transportation and public utilities	1,780	57,925	(D)	47,879	50,986
Railroad transportation	0	22,270	0	2,265	900
Trucking and warehousing	666	18,604	722	30,194	22,990
Water transportation	(D)	(L)	(D)	(D)	(D)
Other transportation	(L)	8,184	0	(D)	(D)
Local and interurban passenger transit	0	(D)	0	(D)	(D)
Transportation by air	0	6,098	0	5,986	(D)
Pipelines, except natural gas	0	(D)	0	(D)	0
Transportation services	(L)	429	0	308	953
Communications	(D)	2,728	0	5,900	9,854
Electric, gas, and sanitary services	(D)	6,140	(D)	683	4,141
Wholesale trade	(D)	51,726	4,008	48,820	27,564
Retail trade	4,950	61,630	1,239	94,168	104,468
Building materials and garden equipment	(D)	2,201	(D)	10,134	4,925
General merchandise stores	(D)	2,093	0	7,062	9,778
Food stores	1,248	11,237	(D)	20,020	25,567
Automotive dealers and service stations	803	25,572	(D)	18,235	19,659
Apparel and accessory stores	(D)	749	0	1,590	4,636
Home furniture and furnishings stores	(D)	1,428	(D)	3,338	4,218
Eating and drinking places	1,434	12,118	(D)	19,004	25,047
Miscellaneous retail	811	6,232	(D)	14,785	10,638
Finance, insurance, and real estate	1,781	12,502	752	(D)	34,908
Depository & non-depository institutions	(D)	(D)	(D)	(D)	13,904
Other finance, insurance, & real estate	(D)	(D)	(D)	12,880	21,004
Security & commodity brokers	0	(L)	0	(D)	(D)
Insurance carriers	(D)	(D)	0	1,471	4,550
Insurance agents, brokers, and service	(D)	1,340	(D)	4,060	2,823
Real estate	1,161	5,310	101	6,712	11,658

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1999

(Thousands of Dollars)

	Ferry	Franklin	Garfield	Grant	Grays Harbor
Combined real estate, insurance, etc.	(N)	(N)	(N)	(N)	(N)
Holding and other investment offices	(L)	(D)	(L)	(D)	(D)
Services	(D)	139,292	2,082	119,171	166,410
Hotels and other lodging places	814	5,380	(D)	5,009	12,765
Personal services	270	2,008	(D)	4,652	4,549
Private households	(D)	(D)	(D)	(D)	(D)
Business services	(D)	27,691	(D)	11,877	16,580
Auto repair, services, and parking	192	12,276	(D)	6,859	6,738
Miscellaneous repair services	(D)	5,326	(D)	2,624	3,703
Amusement and recreation services	(D)	1,381	(L)	3,584	2,890
Motion pictures	(D)	98	0	404	344
Health services	(D)	55,645	(D)	40,701	66,424
Legal services	222	3,043	(D)	7,319	9,406
Educational services	(L)	3,851	(L)	2,031	970
Social services	102	6,987	(D)	6,724	7,272
Museums, botanical, zoological gardens	0	(D)	0	(D)	(D)
Membership organizations	(D)	7,277	(D)	10,721	22,418
Engineering and management services	282	5,807	85	10,651	6,399
Miscellaneous services	151	2,114	299	(D)	(D)
Government and government enterprises	22,543	148,131	14,023	223,220	173,113
Federal, civilian	7,041	29,574	6,719	16,039	11,353
Military	353	2,302	115	3,570	4,729
State and local	15,149	116,255	7,189	203,611	157,031
State	1,045	33,139	753	26,133	27,126
Local	14,104	83,116	6,436	177,478	129,905

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1999

(Thousands of Dollars)

	Island	Jefferson	King	Kitsap	Kittitas
Income by Place of Residence					
Personal income (thousands of dollars)	1,898,515	674,657	74,450,325	5,654,335	665,106
Nonfarm personal income	1,894,188	671,837	74,417,805	5,650,319	658,557
Farm income ³	4,327	2,820	32,520	4,016	6,549
Population (number of persons)**	73,490	26,748	1,664,846	236,560	32,021
Per capita personal income (dollars)	25,834	25,223	44,719	23,902	20,771
Derivation of Total Personal Income					
Earnings by place of work	913,928	262,483	67,334,325	3,592,755	388,647
Less: Personal cont. for social insurance ⁴	42,299	16,453	4,406,379	146,695	19,082
Plus: Adjustment for residence ⁵	317,178	70,228	-7,170,487	238,561	28,015
Equals: Net earnings by place of residence	1,188,807	316,258	55,757,459	3,684,621	397,580
Plus: Dividends, interest, and rent ⁶	512,699	231,237	13,060,689	1,272,742	156,809
Plus: Transfer payments	197,009	127,162	5,632,177	696,972	110,717
Earnings by Place of Work					
Wage and salary disbursements	618,164	188,074	55,722,527	2,632,813	280,093
Other labor income	179,343	22,727	5,093,079	630,828	36,622
Proprietors' income ⁷	116,421	51,682	6,518,719	329,114	71,932
Farm proprietors' income	1,930	1,974	1,944	3,045	-4,907
Nonfarm proprietors' income	114,491	49,708	6,516,775	326,069	76,839
Earnings by Industry					
Farm earnings	4,327	2,820	32,520	4,016	6,549
Nonfarm earnings	909,601	259,663	67,301,805	3,588,739	382,098
Private earnings	353,542	190,072	60,498,300	1,596,463	242,819
Ag. serv., forestry, fishing, and other ⁸	6,501	6,260	647,696	34,282	4,339
Agricultural services	3,108	(D)	321,789	13,204	(D)
Forestry, fishing, and other ⁸	3,393	(D)	325,907	21,078	(D)
Forestry	(D)	(D)	105,360	3,879	(D)
Fishing	(D)	4,342	220,547	17,199	197
Other ⁸	0	0	0	0	0
Mining	(D)	(D)	48,583	4,222	(D)
Metal mining	(L)	0	(D)	(L)	(L)
Coal mining	0	0	(D)	0	0
Oil and gas extraction	0	646	(D)	0	0
Nonmetallic minerals, except fuels	(D)	(D)	24,560	4,212	(D)
Construction	60,926	26,087	3,652,568	204,349	24,821
General building contractors	27,304	9,758	1,123,670	54,782	9,891
Heavy construction contractors	3,343	2,651	370,713	9,566	2,436
Special trade contractors	30,279	13,678	2,158,185	140,001	12,494
Manufacturing	29,582	38,199	9,123,660	73,937	31,861
Durable goods	28,659	(D)	7,181,097	39,281	(D)
Lumber and wood products	(D)	2,582	471,909	6,157	8,108
Furniture and fixtures	(D)	(D)	98,131	4,551	(D)
Stone, clay, and glass products	819	(D)	145,817	6,414	(D)
Primary metal industries	0	(D)	58,646	0	0
Fabricated metal products	(D)	(D)	241,130	1,681	(D)
Industrial machinery and equipment	2,068	725	502,903	1,783	1,306

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1999

(Thousands of Dollars)

	Island	Jefferson	King	Kitsap	Kittitas
Electronic and other electric equipment	(D)	(D)	455,885	905	0
Motor vehicles and equipment	0	0	232,364	0	0
Other transportation equipment	(D)	2,229	4,199,831	5,418	(D)
Instruments and related products	(D)	(D)	461,394	6,961	0
Miscellaneous manufacturing industries	(D)	504	313,087	5,411	(D)
Ordnance	(N)	(N)	(N)	(N)	(N)
Nondurable goods	923	(D)	1,942,563	34,656	(D)
Food and kindred products	(D)	330	603,300	(D)	(D)
Tobacco products	0	0	0	0	0
Textile mill products	(D)	0	6,757	0	0
Apparel and other textile products	(D)	393	101,074	9,119	0
Paper and allied products	0	(D)	113,414	(D)	0
Printing and publishing	431	2,753	608,821	22,548	2,546
Chemicals and allied products	0	0	363,099	0	0
Petroleum and coal products	(D)	(D)	8,389	0	0
Rubber and misc. plastics products	(D)	0	134,603	2,706	0
Leather and leather products	(D)	0	3,106	0	0
Transportation and public utilities	19,424	9,830	4,744,101	81,089	39,201
Railroad transportation	1,840	187	97,448	0	687
Trucking and warehousing	4,026	2,872	557,898	19,765	26,178
Water transportation	220	824	361,162	2,188	(L)
Other transportation	1,042	(D)	(D)	13,457	2,460
Local and interurban passenger transit	(D)	(D)	114,016	5,755	(D)
Transportation by air	(D)	(D)	963,191	4,817	(D)
Pipelines, except natural gas	0	0	(D)	0	0
Transportation services	379	537	392,359	2,885	1,078
Communications	8,689	(D)	1,817,451	30,565	7,270
Electric, gas, and sanitary services	3,607	4,068	(D)	15,114	2,607
Wholesale trade	(D)	(D)	4,568,141	49,773	18,876
Retail trade	69,598	32,251	5,487,449	307,140	54,715
Building materials and garden equipment	6,809	3,469	308,439	19,625	3,637
General merchandise stores	5,895	95	513,418	38,773	1,363
Food stores	14,101	9,558	678,957	57,389	10,294
Automotive dealers and service stations	9,886	3,620	648,251	62,261	10,864
Apparel and accessory stores	914	409	473,674	7,398	709
Home furniture and furnishings stores	2,933	1,516	370,301	14,948	2,865
Eating and drinking places	15,629	9,852	1,387,271	68,638	19,337
Miscellaneous retail	13,431	3,732	1,107,138	38,108	5,646
Finance, insurance, and real estate	44,380	11,641	4,923,622	126,066	(D)
Depository & non-depository institutions	20,187	(D)	1,271,743	43,409	2,938
Other finance, insurance, & real estate	24,193	(D)	3,651,879	82,657	(D)
Security & commodity brokers	147	0	645,604	8,135	(D)
Insurance carriers	2,805	(D)	927,438	16,358	(D)
Insurance agents, brokers, and service	4,490	1,539	518,461	11,360	1,384
Real estate	16,067	6,738	1,348,561	45,130	4,732

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1999

(Thousands of Dollars)

	Island	Jefferson	King	Kitsap	Kittitas
Combined real estate, insurance, etc.	(N)	(N)	(N)	(N)	(N)
Holding and other investment offices	684	(L)	211,815	1,674	(D)
Services	113,736	59,852	27,302,480	715,605	58,237
Hotels and other lodging places	3,240	4,659	390,463	8,540	3,120
Personal services	5,047	2,799	469,609	20,269	3,084
Private households	1,983	504	74,015	(D)	962
Business services	21,705	16,292	15,471,732	141,582	8,203
Auto repair, services, and parking	3,437	2,956	488,715	25,525	3,489
Miscellaneous repair services	2,868	1,773	192,920	6,740	(D)
Amusement and recreation services	4,393	1,651	616,849	24,168	1,672
Motion pictures	997	527	144,526	3,500	690
Health services	27,034	10,589	3,833,911	236,158	19,265
Legal services	4,440	(D)	1,345,681	21,168	2,592
Educational services	4,774	1,971	474,035	13,445	1,553
Social services	6,283	7,274	492,801	32,252	4,158
Museums, botanical, zoological gardens	(D)	(D)	28,581	(D)	(D)
Membership organizations	8,098	3,618	399,940	39,622	4,909
Engineering and management services	12,646	2,901	2,593,352	128,324	1,793
Miscellaneous services	(D)	1,602	285,350	6,512	2,023
Government and government enterprises	556,059	69,591	6,803,505	1,992,276	139,279
Federal, civilian	61,694	9,819	1,417,438	981,549	8,498
Military	393,171	1,751	160,202	608,787	2,495
State and local	101,194	58,021	5,225,865	401,940	128,286
State	12,652	12,553	1,797,891	77,735	74,533
Local	88,542	45,468	3,427,974	324,205	53,753

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1999

(Thousands of Dollars)

	Klickitat	Lewis	Lincoln	Mason	Okanogan
Income by Place of Residence					
Personal income (thousands of dollars)	386,981	1,430,803	203,368	1,014,498	771,256
Nonfarm personal income	377,312	1,408,235	204,928	1,012,720	733,835
Farm income ³	9,669	22,568	-1,560	1,778	37,421
Population (number of persons)**	19,530	68,621	9,759	50,357	38,432
Per capita personal income (dollars)	19,815	20,851	20,839	20,146	20,068
Derivation of Total Personal Income					
Earnings by place of work	219,397	901,965	84,886	456,714	481,876
Less: Personal cont. for social insurance ⁴	12,825	56,790	4,696	27,724	24,509
Plus: Adjustment for residence ⁵	-1,518	-13,482	10,696	111,231	-13,155
Equals: Net earnings by place of residence	205,054	831,693	90,886	540,221	444,212
Plus: Dividends, interest, and rent ⁶	101,609	278,771	68,186	248,784	142,785
Plus: Transfer payments	80,318	320,339	44,296	225,493	184,259
Earnings by Place of Work					
Wage and salary disbursements	171,000	701,011	68,810	335,504	363,189
Other labor income	20,694	74,891	9,810	38,033	48,020
Proprietors' income ⁷	27,703	126,063	6,266	83,177	70,667
Farm proprietors' income	-1,237	14,720	-7,807	695	-11,506
Nonfarm proprietors' income	28,940	111,343	14,073	82,482	82,173
Earnings by Industry					
Farm earnings	9,669	22,568	-1,560	1,778	37,421
Nonfarm earnings	209,728	879,397	86,446	454,936	444,455
Private earnings	156,029	708,444	50,360	325,958	303,974
Ag. serv., forestry, fishing, and other ⁸	7,054	17,600	3,470	9,536	14,975
Agricultural services	(D)	3,550	2,774	3,579	11,992
Forestry, fishing, and other ⁸	(D)	14,050	696	5,957	2,983
Forestry	(D)	11,935	690	3,102	(D)
Fishing	(D)	2,115	(L)	2,855	(D)
Other ⁸	0	0	0	0	0
Mining	590	(D)	0	7,817	2,733
Metal mining	(L)	87	0	0	(D)
Coal mining	0	(D)	0	0	0
Oil and gas extraction	0	(D)	0	7,261	0
Nonmetallic minerals, except fuels	562	4,629	0	556	(D)
Construction	11,962	64,446	3,549	45,848	19,197
General building contractors	3,575	12,616	(D)	(D)	7,389
Heavy construction contractors	3,374	26,005	(D)	(D)	1,751
Special trade contractors	5,013	25,825	2,281	27,644	10,057
Manufacturing	60,149	155,113	1,683	85,191	46,455
Durable goods	59,449	132,189	584	75,627	43,097
Lumber and wood products	19,218	109,795	584	65,602	41,902
Furniture and fixtures	(D)	924	0	(D)	0
Stone, clay, and glass products	711	1,455	0	780	926
Primary metal industries	(D)	(D)	0	(D)	0
Fabricated metal products	0	4,538	0	(D)	(D)
Industrial machinery and equipment	(D)	1,845	0	290	59

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1999

(Thousands of Dollars)

	Klickitat	Lewis	Lincoln	Mason	Okanogan
Electronic and other electric equipment	(D)	(D)	0	(D)	0
Motor vehicles and equipment	0	3,354	0	0	0
Other transportation equipment	(D)	6,359	0	7,620	(D)
Instruments and related products	0	(D)	0	(D)	0
Miscellaneous manufacturing industries	(D)	1,091	0	297	0
Ordnance	(N)	(N)	(N)	(N)	(N)
Nondurable goods	700	22,924	1,099	9,564	3,358
Food and kindred products	(D)	13,782	(D)	8,007	411
Tobacco products	0	0	0	0	0
Textile mill products	0	(D)	0	0	0
Apparel and other textile products	(D)	1,437	(D)	(D)	(D)
Paper and allied products	0	0	0	0	0
Printing and publishing	(D)	5,205	243	914	2,929
Chemicals and allied products	0	(D)	0	0	(D)
Petroleum and coal products	0	0	0	0	0
Rubber and misc. plastics products	(D)	920	0	(D)	0
Leather and leather products	0	(D)	0	0	0
Transportation and public utilities	30,463	64,569	5,484	21,672	19,473
Railroad transportation	9,925	4,221	1,494	456	755
Trucking and warehousing	9,061	33,924	(D)	10,604	6,294
Water transportation	0	0	0	343	0
Other transportation	(D)	5,346	(D)	2,882	2,856
Local and interurban passenger transit	(L)	(D)	0	1,721	(D)
Transportation by air	(D)	(D)	(D)	(D)	(D)
Pipelines, except natural gas	0	0	0	0	0
Transportation services	1,368	3,096	(L)	(D)	635
Communications	1,279	5,698	(D)	2,950	4,492
Electric, gas, and sanitary services	(D)	15,380	(D)	4,437	5,076
Wholesale trade	2,920	36,794	9,938	11,971	25,290
Retail trade	12,434	144,220	8,171	46,629	50,056
Building materials and garden equipment	(D)	12,516	491	6,014	4,631
General merchandise stores	(D)	36,081	(D)	(D)	(D)
Food stores	3,346	24,360	2,334	12,635	12,540
Automotive dealers and service stations	2,296	23,603	1,938	6,321	8,808
Apparel and accessory stores	(D)	3,623	(D)	(D)	1,120
Home furniture and furnishings stores	130	5,849	149	845	(D)
Eating and drinking places	2,978	24,142	1,784	11,035	8,960
Miscellaneous retail	2,541	14,046	1,329	4,478	8,647
Finance, insurance, and real estate	7,720	(D)	4,696	17,748	11,129
Depository & non-depository institutions	(D)	9,714	2,791	(D)	(D)
Other finance, insurance, & real estate	(D)	(D)	1,905	(D)	(D)
Security & commodity brokers	(D)	(D)	(L)	64	(D)
Insurance carriers	(D)	4,844	0	1,609	(D)
Insurance agents, brokers, and service	2,454	3,017	878	1,170	715
Real estate	2,503	8,655	926	7,683	5,322

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1999

(Thousands of Dollars)

	Klickitat	Lewis	Lincoln	Mason	Okanogan
Combined real estate, insurance, etc.	(N)	(N)	(N)	(N)	(N)
Holding and other investment offices	(D)	762	94	(D)	118
Services	22,737	160,419	13,369	79,546	114,666
Hotels and other lodging places	570	4,061	138	4,611	7,730
Personal services	966	4,825	(D)	3,116	4,884
Private households	(D)	(D)	359	(D)	(D)
Business services	2,612	26,912	(D)	5,352	11,762
Auto repair, services, and parking	758	6,050	426	6,443	5,297
Miscellaneous repair services	478	2,240	(D)	1,770	1,827
Amusement and recreation services	493	2,858	507	10,343	(D)
Motion pictures	89	532	0	(D)	330
Health services	6,847	79,575	3,774	19,845	35,314
Legal services	999	5,016	1,814	3,069	3,121
Educational services	(D)	1,639	(D)	2,042	(D)
Social services	1,424	5,884	497	5,577	3,108
Museums, botanical, zoological gardens	(D)	(D)	0	(D)	0
Membership organizations	2,378	8,587	1,206	11,683	(D)
Engineering and management services	2,309	6,259	(D)	2,809	4,251
Miscellaneous services	1,113	(D)	556	1,438	3,010
Government and government enterprises	53,699	170,953	36,086	128,978	140,481
Federal, civilian	5,244	15,517	3,158	5,310	45,345
Military	962	3,378	480	2,479	1,892
State and local	47,493	152,058	32,448	121,189	93,244
State	7,062	41,431	3,024	41,147	10,931
Local	40,431	110,627	29,424	80,042	82,313

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1999

(Thousands of Dollars)

	Pacific	Pend Oreille	Pierce	San Juan	Skagit
Income by Place of Residence					
Personal income (thousands of dollars)	426,213	219,445	17,419,578	488,100	2,548,086
Nonfarm personal income	413,161	218,688	17,392,272	488,282	2,468,752
Farm income ³	13,052	757	27,306	-182	79,334
Population (number of persons)**	20,768	11,604	688,807	12,898	101,180
Per capita personal income (dollars)	20,523	18,911	25,289	37,843	25,184
Derivation of Total Personal Income					
Earnings by place of work	201,309	109,098	10,147,250	187,991	1,548,879
Less: Personal cont. for social insurance ⁴	12,038	6,359	581,146	11,962	91,436
Plus: Adjustment for residence ⁵	14,027	10,319	2,502,126	19,638	62,391
Equals: Net earnings by place of residence	203,298	113,058	12,068,230	195,667	1,519,834
Plus: Dividends, interest, and rent ⁶	107,115	49,398	2,916,754	242,861	614,517
Plus: Transfer payments	115,800	56,989	2,434,594	49,572	413,735
Earnings by Place of Work					
Wage and salary disbursements	137,174	71,873	7,951,835	117,094	1,168,425
Other labor income	16,901	9,934	1,137,568	12,085	120,248
Proprietors' income ⁷	47,234	27,291	1,057,847	58,812	260,206
Farm proprietors' income	11,774	630	4,917	-409	17,971
Nonfarm proprietors' income	35,460	26,661	1,052,930	59,221	242,235
Earnings by Industry					
Farm earnings	13,052	757	27,306	-182	79,334
Nonfarm earnings	188,257	108,341	10,119,944	188,173	1,469,545
Private earnings	130,509	76,483	7,125,747	155,062	1,177,218
Ag. serv., forestry, fishing, and other ⁸	10,100	324	78,688	3,698	51,553
Agricultural services	(D)	(D)	49,551	(D)	12,922
Forestry, fishing, and other ⁸	(D)	(D)	29,137	(D)	38,631
Forestry	(D)	(D)	11,781	(D)	(D)
Fishing	9,110	111	17,356	2,301	(D)
Other ⁸	0	0	0	0	0
Mining	1,344	(D)	10,156	(D)	1,529
Metal mining	0	0	(L)	0	(L)
Coal mining	0	0	0	0	0
Oil and gas extraction	0	0	(D)	1,958	0
Nonmetallic minerals, except fuels	1,344	(D)	(D)	(D)	1,505
Construction	8,895	4,709	751,692	35,928	157,423
General building contractors	3,789	440	197,693	14,397	31,509
Heavy construction contractors	530	456	115,753	2,077	30,563
Special trade contractors	4,576	3,813	438,246	19,454	95,351
Manufacturing	33,343	40,255	1,123,853	9,005	216,670
Durable goods	24,925	(D)	746,158	8,084	106,943
Lumber and wood products	24,486	13,026	180,331	2,992	25,667
Furniture and fixtures	(D)	0	31,322	0	2,496
Stone, clay, and glass products	(D)	(D)	60,169	(D)	8,408
Primary metal industries	0	0	39,944	0	(D)
Fabricated metal products	0	(D)	70,832	392	8,058
Industrial machinery and equipment	(D)	0	187,004	(D)	13,815

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1999

(Thousands of Dollars)

	Pacific	Pend Oreille	Pierce	San Juan	Skagit
Electronic and other electric equipment	0	0	11,713	(D)	1,429
Motor vehicles and equipment	0	0	3,979	0	(D)
Other transportation equipment	395	0	145,021	199	(D)
Instruments and related products	(D)	0	4,320	(D)	6,343
Miscellaneous manufacturing industries	0	(D)	11,523	(D)	3,905
Ordnance	(N)	(N)	(N)	(N)	(N)
Nondurable goods	8,418	(D)	377,695	921	109,727
Food and kindred products	6,883	(D)	58,176	87	31,176
Tobacco products	0	0	0	0	0
Textile mill products	0	0	(D)	0	(D)
Apparel and other textile products	(D)	0	33,783	(D)	(D)
Paper and allied products	0	(D)	61,733	0	0
Printing and publishing	770	(D)	94,430	747	8,084
Chemicals and allied products	(D)	0	36,966	(D)	6,217
Petroleum and coal products	0	0	22,982	0	59,025
Rubber and misc. plastics products	(D)	0	69,295	(D)	2,914
Leather and leather products	0	0	(D)	0	0
Transportation and public utilities	4,778	7,087	491,694	9,032	88,360
Railroad transportation	268	547	18,886	0	2,563
Trucking and warehousing	2,639	4,910	132,271	715	27,158
Water transportation	(D)	0	99,668	1,549	8,270
Other transportation	(D)	1,190	46,757	(D)	12,039
Local and interurban passenger transit	(D)	(D)	6,699	(D)	(D)
Transportation by air	0	0	21,428	(D)	9,398
Pipelines, except natural gas	0	0	0	0	(D)
Transportation services	(D)	(D)	18,630	448	1,998
Communications	727	440	148,368	(D)	24,693
Electric, gas, and sanitary services	835	0	45,744	3,995	13,637
Wholesale trade	2,273	(D)	498,380	(D)	53,957
Retail trade	22,159	8,278	1,045,858	25,909	202,447
Building materials and garden equipment	973	(D)	55,471	3,255	10,431
General merchandise stores	(D)	(D)	106,134	(D)	13,469
Food stores	5,222	4,057	168,754	8,170	31,310
Automotive dealers and service stations	1,844	1,517	222,004	2,090	55,315
Apparel and accessory stores	(D)	(L)	36,640	(D)	6,624
Home furniture and furnishings stores	190	178	61,312	1,118	10,484
Eating and drinking places	7,419	1,875	246,347	6,435	46,183
Miscellaneous retail	3,059	494	149,196	4,338	28,631
Finance, insurance, and real estate	7,752	2,189	726,015	14,908	68,943
Depository & non-depository institutions	(D)	1,057	191,287	4,819	18,336
Other finance, insurance, & real estate	(D)	1,132	534,728	10,089	50,607
Security & commodity brokers	0	0	147,073	(D)	5,462
Insurance carriers	584	436	100,783	(D)	9,095
Insurance agents, brokers, and service	984	280	65,096	1,530	6,753
Real estate	1,996	406	201,489	7,652	28,286

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1999

(Thousands of Dollars)

	Pacific	Pend Oreille	Pierce	San Juan	Skagit
Combined real estate, insurance, etc.	(N)	(N)	(N)	(N)	(N)
Holding and other investment offices	(D)	(L)	20,287	232	1,011
Services	39,865	12,878	2,399,411	52,227	336,336
Hotels and other lodging places	5,718	1,187	25,379	12,916	9,149
Personal services	1,325	497	98,331	569	10,923
Private households	(D)	(D)	(D)	670	(D)
Business services	5,068	1,038	325,313	12,293	52,859
Auto repair, services, and parking	1,572	416	107,766	771	17,558
Miscellaneous repair services	860	99	45,758	(D)	11,337
Amusement and recreation services	2,711	(D)	99,305	3,390	29,241
Motion pictures	246	414	7,279	557	1,642
Health services	8,234	1,855	975,154	3,643	106,704
Legal services	982	459	133,833	762	15,609
Educational services	104	(L)	116,341	1,108	4,987
Social services	2,176	854	129,617	1,413	22,642
Museums, botanical, zoological gardens	(D)	0	1,997	252	(D)
Membership organizations	5,136	3,190	117,552	2,053	21,750
Engineering and management services	2,602	1,109	157,999	6,219	19,811
Miscellaneous services	(D)	1,344	(D)	(D)	(D)
Government and government enterprises	57,748	31,858	2,994,197	33,111	292,327
Federal, civilian	2,856	5,433	454,515	2,934	20,870
Military	4,271	571	1,032,418	635	5,088
State and local	50,621	25,854	1,507,264	29,542	266,369
State	11,194	1,211	400,698	2,550	50,943
Local	39,427	24,643	1,106,566	26,992	215,426

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1999

(Thousands of Dollars)

	Skamania	Snohomish	Spokane	Stevens	Thurston
Income by Place of Residence					
Personal income (thousands of dollars)	213,355	16,767,370	9,984,505	695,023	5,292,672
Nonfarm personal income	214,014	16,748,198	9,980,568	690,046	5,265,707
Farm income ³	-659	19,172	3,937	4,977	26,965
Population (number of persons)**	9,831	596,598	409,736	40,137	205,459
Per capita personal income (dollars)	21,702	28,105	24,368	17,316	25,760
Derivation of Total Personal Income					
Earnings by place of work	72,460	9,671,216	7,140,756	354,812	3,283,108
Less: Personal cont. for social insurance ⁴	3,499	609,353	445,130	21,792	146,856
Plus: Adjustment for residence ⁵	76,009	3,547,323	-362,352	69,976	460,845
Equals: Net earnings by place of residence	144,970	12,609,186	6,333,274	402,996	3,597,097
Plus: Dividends, interest, and rent ⁶	38,172	2,421,357	1,972,726	128,714	970,566
Plus: Transfer payments	30,213	1,736,827	1,678,505	163,313	725,009
Earnings by Place of Work					
Wage and salary disbursements	54,461	7,886,114	5,779,209	261,298	2,647,057
Other labor income	9,174	904,441	659,032	33,396	302,261
Proprietors' income ⁷	8,825	880,661	702,515	60,118	333,790
Farm proprietors' income	-842	-2,812	-4,678	3,515	2,283
Nonfarm proprietors' income	9,667	883,473	707,193	56,603	331,507
Earnings by Industry					
Farm earnings	-659	19,172	3,937	4,977	26,965
Nonfarm earnings	73,119	9,652,044	7,136,819	349,835	3,256,143
Private earnings	42,080	8,082,029	5,737,266	267,852	1,881,240
Ag. serv., forestry, fishing, and other ⁸	356	84,295	38,200	3,774	26,420
Agricultural services	162	48,734	33,960	1,676	14,940
Forestry, fishing, and other ⁸	194	35,561	4,240	2,098	11,480
Forestry	69	2,237	2,252	1,181	5,692
Fishing	125	33,324	1,988	917	5,788
Other ⁸	0	0	0	0	0
Mining	(D)	7,162	19,096	3,733	3,387
Metal mining	(D)	137	17,324	(D)	(L)
Coal mining	0	0	0	0	0
Oil and gas extraction	0	0	(D)	0	0
Nonmetallic minerals, except fuels	(D)	7,025	(D)	(D)	3,391
Construction	5,682	841,005	512,542	17,071	200,688
General building contractors	(D)	191,937	146,484	3,767	60,565
Heavy construction contractors	(D)	114,872	50,395	2,283	18,530
Special trade contractors	(D)	534,196	315,663	11,021	121,593
Manufacturing	12,201	3,423,880	896,327	93,240	179,725
Durable goods	(D)	3,161,162	712,336	84,723	92,486
Lumber and wood products	7,527	128,372	31,818	55,554	45,692
Furniture and fixtures	0	26,112	6,981	(D)	(D)
Stone, clay, and glass products	(D)	21,903	56,936	(D)	10,078
Primary metal industries	0	6,578	166,671	(D)	0
Fabricated metal products	0	67,660	47,949	(D)	17,547
Industrial machinery and equipment	904	134,589	124,714	6,140	4,928

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1999

(Thousands of Dollars)

	Skamania	Snohomish	Spokane	Stevens	Thurston
Electronic and other electric equipment	(D)	92,876	104,726	(D)	1,172
Motor vehicles and equipment	0	4,927	18,595	0	(D)
Other transportation equipment	0	2,374,371	55,656	(D)	(D)
Instruments and related products	0	293,569	85,936	(D)	(D)
Miscellaneous manufacturing industries	(D)	10,205	12,354	0	4,809
Ordnance	(N)	(N)	(N)	(N)	(N)
Nondurable goods	(D)	262,718	183,991	8,517	87,239
Food and kindred products	0	48,921	50,681	(D)	25,408
Tobacco products	0	0	0	0	0
Textile mill products	0	(D)	(D)	0	(D)
Apparel and other textile products	0	13,308	8,352	(D)	924
Paper and allied products	0	(D)	15,133	(D)	15,384
Printing and publishing	(D)	73,477	59,911	1,125	17,697
Chemicals and allied products	(D)	33,395	31,171	(D)	(D)
Petroleum and coal products	0	0	(D)	0	0
Rubber and misc. plastics products	(D)	24,448	14,511	0	20,949
Leather and leather products	0	(D)	(D)	0	0
Transportation and public utilities	4,519	303,348	447,093	23,575	104,514
Railroad transportation	1,083	13,088	52,889	3,561	1,249
Trucking and warehousing	2,727	67,596	127,436	7,995	27,417
Water transportation	0	(D)	(D)	(D)	1,440
Other transportation	(D)	55,993	(D)	1,502	14,032
Local and interurban passenger transit	0	16,417	12,448	(D)	3,157
Transportation by air	0	20,008	44,494	(D)	6,764
Pipelines, except natural gas	0	0	(D)	0	0
Transportation services	(D)	19,568	14,189	(D)	4,111
Communications	(D)	(D)	100,447	5,667	48,245
Electric, gas, and sanitary services	(D)	25,417	95,154	(D)	12,131
Wholesale trade	(D)	330,849	521,994	6,030	97,040
Retail trade	3,856	910,646	755,301	32,068	365,826
Building materials and garden equipment	(D)	59,988	43,052	2,508	31,775
General merchandise stores	(D)	84,177	77,538	(D)	33,962
Food stores	1,901	166,950	131,917	9,253	62,067
Automotive dealers and service stations	214	196,466	141,463	4,966	52,609
Apparel and accessory stores	0	27,828	21,979	(D)	4,879
Home furniture and furnishings stores	(D)	57,894	54,596	786	73,671
Eating and drinking places	945	198,972	172,695	6,416	70,236
Miscellaneous retail	452	118,371	112,061	3,823	36,627
Finance, insurance, and real estate	1,347	532,578	545,382	9,378	152,395
Depository & non-depository institutions	(D)	129,530	191,863	(D)	53,293
Other finance, insurance, & real estate	(D)	403,048	353,519	(D)	99,102
Security & commodity brokers	0	25,569	83,154	(D)	11,507
Insurance carriers	(D)	165,339	82,854	(D)	20,550
Insurance agents, brokers, and service	(D)	42,008	54,324	1,672	13,734
Real estate	735	165,464	105,320	3,908	52,089

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1999

(Thousands of Dollars)

	Skamania	Snohomish	Spokane	Stevens	Thurston
Combined real estate, insurance, etc.	(N)	(N)	(N)	(N)	(N)
Holding and other investment offices	60	4,668	27,867	59	1,222
Services	12,528	1,648,266	2,001,331	78,983	751,245
Hotels and other lodging places	(D)	18,508	73,648	2,128	9,550
Personal services	563	80,094	60,876	2,697	28,469
Private households	86	(D)	(D)	(D)	(D)
Business services	807	333,957	309,622	3,208	116,790
Auto repair, services, and parking	155	87,885	68,769	4,039	28,595
Miscellaneous repair services	(D)	25,818	27,986	1,993	15,273
Amusement and recreation services	198	65,163	41,721	8,151	25,781
Motion pictures	(L)	14,532	6,715	256	1,436
Health services	(D)	538,440	868,882	32,273	314,057
Legal services	(D)	45,807	114,204	1,471	26,830
Educational services	(L)	22,767	84,424	(D)	34,959
Social services	474	85,728	90,636	3,826	33,034
Museums, botanical, zoological gardens	(D)	(D)	(D)	(D)	382
Membership organizations	1,355	101,302	70,394	(D)	56,971
Engineering and management services	(D)	200,371	144,527	2,587	49,793
Miscellaneous services	(D)	18,408	28,577	2,492	(D)
Government and government enterprises	31,039	1,570,015	1,399,553	81,983	1,374,903
Federal, civilian	12,673	129,894	256,691	19,077	60,575
Military	485	283,156	195,147	1,976	12,515
State and local	17,881	1,156,965	947,715	60,930	1,301,813
State	1,705	189,153	326,256	13,058	979,469
Local	16,176	967,812	621,459	47,872	322,344

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1999

(Thousands of Dollars)

	Wahkiakum	Walla Walla	Whatcom	Whitman	Yakima
Income by Place of Residence					
Personal income (thousands of dollars)	80,897	1,150,629	3,723,634	732,475	4,594,687
Nonfarm personal income	80,518	1,116,818	3,657,210	739,566	4,293,076
Farm income ³	379	33,811	66,424	-7,091	301,611
Population (number of persons)**	3,841	53,854	160,310	38,386	220,785
Per capita personal income (dollars)	21,061	21,366	23,228	19,082	20,811
Derivation of Total Personal Income					
Earnings by place of work	33,214	791,322	2,451,620	498,981	2,895,574
Less: Personal cont. for social insurance ⁴	2,130	44,728	153,309	16,825	161,626
Plus: Adjustment for residence ⁵	12,778	-58,058	39,565	-36,393	84,939
Equals: Net earnings by place of residence	43,862	688,536	2,337,876	445,763	2,818,887
Plus: Dividends, interest, and rent ⁶	21,215	250,661	827,345	171,836	856,248
Plus: Transfer payments	15,820	211,432	558,413	114,876	919,552
Earnings by Place of Work					
Wage and salary disbursements	23,604	646,819	1,883,574	409,768	2,331,572
Other labor income	2,873	76,040	194,666	63,750	236,562
Proprietors' income ⁷	6,737	68,463	373,380	25,463	327,440
Farm proprietors' income	297	-9,914	24,013	-15,747	27,187
Nonfarm proprietors' income	6,440	78,377	349,367	41,210	300,253
Earnings by Industry					
Farm earnings	379	33,811	66,424	-7,091	301,611
Nonfarm earnings	32,835	757,511	2,385,196	506,072	2,593,963
Private earnings	24,859	567,036	2,017,950	206,965	2,070,853
Ag. serv., forestry, fishing, and other ⁸	2,187	(D)	30,076	7,065	84,930
Agricultural services	(D)	14,495	13,363	(D)	(D)
Forestry, fishing, and other ⁸	(D)	(D)	16,713	(D)	(D)
Forestry	(D)	(D)	1,534	(D)	(D)
Fishing	1,657	1,209	15,179	694	3,429
Other ⁸	0	0	0	0	0
Mining	0	188	6,694	(D)	(D)
Metal mining	0	(L)	(D)	0	135
Coal mining	0	0	0	0	0
Oil and gas extraction	0	0	(D)	0	0
Nonmetallic minerals, except fuels	0	181	6,559	(D)	(D)
Construction	1,325	34,927	308,061	(D)	137,325
General building contractors	(D)	7,816	66,482	2,956	43,363
Heavy construction contractors	(D)	1,503	76,424	(D)	9,482
Special trade contractors	548	25,608	165,155	8,907	84,480
Manufacturing	11,965	141,192	399,812	23,388	378,720
Durable goods	11,893	36,905	193,277	21,853	177,747
Lumber and wood products	10,845	1,502	55,915	(D)	64,917
Furniture and fixtures	0	(D)	223	0	(D)
Stone, clay, and glass products	(D)	(D)	8,693	936	7,584
Primary metal industries	0	(D)	(D)	0	(D)
Fabricated metal products	0	2,430	5,389	0	30,182
Industrial machinery and equipment	(D)	29,938	19,040	1,187	25,665

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1999

(Thousands of Dollars)

	Wahkiakum	Walla Walla	Whatcom	Whitman	Yakima
Electronic and other electric equipment	0	0	11,559	(D)	(D)
Motor vehicles and equipment	0	(D)	(D)	0	6,372
Other transportation equipment	(D)	0	(D)	0	25,060
Instruments and related products	0	(D)	6,157	2,729	(D)
Miscellaneous manufacturing industries	0	(D)	1,275	0	14,260
Ordnance	(N)	(N)	(N)	(N)	(N)
Nondurable goods	72	104,287	206,535	1,535	200,973
Food and kindred products	0	52,299	38,474	(D)	121,288
Tobacco products	0	0	0	0	0
Textile mill products	0	(D)	8,708	0	(D)
Apparel and other textile products	0	272	5,634	0	(D)
Paper and allied products	0	(D)	(D)	0	32,040
Printing and publishing	(D)	9,928	18,781	559	17,474
Chemicals and allied products	0	(D)	8,101	(D)	4,319
Petroleum and coal products	0	0	63,980	(D)	0
Rubber and misc. plastics products	(D)	1,097	11,214	0	24,891
Leather and leather products	0	0	(D)	0	0
Transportation and public utilities	2,652	(D)	130,604	17,716	129,253
Railroad transportation	0	(D)	3,815	70	3,145
Trucking and warehousing	1,783	7,066	44,620	6,998	65,559
Water transportation	0	0	(D)	0	0
Other transportation	(L)	(D)	(D)	3,075	14,204
Local and interurban passenger transit	0	(D)	3,923	(D)	2,526
Transportation by air	0	2,503	8,526	2,013	5,730
Pipelines, except natural gas	0	0	(D)	0	0
Transportation services	(L)	748	11,948	(D)	5,948
Communications	(D)	29,813	31,467	2,499	24,371
Electric, gas, and sanitary services	(D)	7,088	19,997	5,074	21,974
Wholesale trade	(L)	31,153	130,532	32,623	232,990
Retail trade	2,067	71,920	279,800	34,423	293,443
Building materials and garden equipment	(D)	4,299	17,758	1,768	23,595
General merchandise stores	(L)	7,246	28,582	(D)	37,317
Food stores	(D)	16,360	64,556	7,143	58,493
Automotive dealers and service stations	(D)	13,019	43,511	7,221	59,569
Apparel and accessory stores	(D)	934	8,473	(D)	7,312
Home furniture and furnishings stores	(L)	2,839	15,724	856	14,072
Eating and drinking places	765	14,880	64,628	9,654	59,391
Miscellaneous retail	362	12,343	36,568	6,015	33,694
Finance, insurance, and real estate	1,068	31,796	155,344	15,220	(D)
Depository & non-depository institutions	(D)	19,235	38,649	(D)	32,420
Other finance, insurance, & real estate	(D)	12,561	116,695	(D)	(D)
Security & commodity brokers	0	(D)	14,796	(D)	9,268
Insurance carriers	(D)	2,445	12,246	613	6,794
Insurance agents, brokers, and service	(D)	3,232	14,358	1,686	18,786
Real estate	539	6,181	72,769	5,154	33,286

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1999

(Thousands of Dollars)

	Wahkiakum	Walla Walla	Whatcom	Whitman	Yakima
Combined real estate, insurance, etc.	(N)	(N)	(N)	(N)	(N)
Holding and other investment offices	(L)	(D)	2,526	353	(D)
Services	3,571	190,470	577,027	62,691	709,705
Hotels and other lodging places	(D)	1,991	18,570	1,798	15,858
Personal services	85	2,650	20,666	4,500	23,382
Private households	268	1,170	(D)	813	(D)
Business services	(D)	15,421	87,948	4,011	53,115
Auto repair, services, and parking	(L)	4,687	23,693	2,666	23,516
Miscellaneous repair services	(D)	1,143	13,541	744	11,884
Amusement and recreation services	(L)	2,595	22,395	364	22,704
Motion pictures	(D)	(D)	2,056	540	3,112
Health services	(D)	94,666	186,494	25,911	331,288
Legal services	(D)	6,400	27,134	3,580	36,683
Educational services	(L)	34,640	13,870	(D)	20,327
Social services	270	7,029	29,052	4,004	46,347
Museums, botanical, zoological gardens	(D)	(D)	(D)	0	595
Membership organizations	(D)	9,060	50,160	4,663	62,965
Engineering and management services	(D)	5,827	70,692	5,247	33,933
Miscellaneous services	314	(D)	7,656	(D)	(D)
Government and government enterprises	7,976	190,475	367,246	299,107	523,110
Federal, civilian	609	53,848	56,078	15,469	79,120
Military	189	2,944	8,805	3,193	13,596
State and local	7,178	133,683	302,363	280,445	430,394
State	610	61,016	86,012	225,689	109,965
Local	6,568	72,667	216,351	54,756	320,429

Table 4.4
Per Capita Personal Income

	1995	1996	1997	1998	1999	Change 1995-1999
U.S.	\$23,562	\$24,651	\$25,874	\$27,321	\$28,546	21.2%
Washington**	\$23,878	\$25,287	\$26,802	\$28,579	\$30,380	27.2%
Bellingham, WA (MSA)	\$19,718	\$20,836	\$21,536	\$22,561	\$23,228	17.8%
Bremerton, WA (PMSA)	\$20,633	\$21,309	\$22,434	\$23,085	\$23,902	15.8%
Olympia, WA (PMSA)	\$21,837	\$22,565	\$23,778	\$24,883	\$25,760	18.0%
Portland-Vancouver, OR-WA (PMSA)	\$25,396	\$26,660	\$28,164	\$29,471	\$30,672	20.8%
Richland-Kennewick-Pasco, WA (MSA)	\$21,167	\$21,637	\$21,990	\$22,603	\$23,219	9.7%
Seattle-Bellevue-Everett, WA (PMSA)	\$29,299	\$31,356	\$33,484	\$36,616	\$39,880	36.1%
Seattle-Tacoma-Bremerton, WA (CMSA)	\$26,582	\$28,241	\$30,177	\$32,600	\$35,052	31.9%
Spokane, WA (MSA)	\$20,523	\$21,434	\$22,567	\$23,365	\$24,368	18.7%
Tacoma, WA (PMSA)	\$20,842	\$21,785	\$23,490	\$24,455	\$25,289	21.3%
Yakima, WA (MSA)	\$18,362	\$19,511	\$20,047	\$20,674	\$20,811	13.3%
Washington (Urban Counties)*	\$25,662	\$27,221	\$29,058	\$31,216	\$33,459	30.4%
Washington (Rural Counties)	\$19,089	\$20,089	\$20,704	\$21,411	\$21,983	15.2%
Adams	\$18,442	\$20,021	\$19,919	\$20,745	\$20,941	13.6%
Asotin	\$18,056	\$19,095	\$20,340	\$20,891	\$21,615	19.7%
Benton#	\$22,618	\$22,804	\$23,287	\$24,158	\$25,004	10.5%
Chelan	\$21,820	\$23,132	\$23,983	\$24,821	\$25,483	16.8%
Clallam	\$19,958	\$20,761	\$22,125	\$22,665	\$23,454	17.5%
Clark*	\$22,453	\$23,833	\$25,483	\$26,534	\$28,116	25.2%
Columbia	\$19,432	\$22,202	\$19,085	\$20,262	\$20,257	4.2%
Cowlitz	\$19,776	\$20,335	\$20,888	\$21,695	\$22,783	15.2%
Douglas	\$16,855	\$18,290	\$18,584	\$18,901	\$19,204	13.9%
Ferry	\$14,421	\$14,835	\$15,454	\$15,793	\$16,305	13.1%
Franklin#	\$16,882	\$18,163	\$18,148	\$18,051	\$17,961	6.4%
Garfield	\$18,228	\$22,546	\$19,567	\$20,178	\$18,237	0.0%
Grant	\$17,556	\$19,107	\$19,434	\$20,064	\$19,424	10.6%
Grays Harbor	\$18,211	\$18,585	\$19,356	\$20,045	\$21,004	15.3%
Island*	\$20,383	\$21,751	\$23,035	\$24,228	\$25,834	26.7%
Jefferson	\$20,591	\$21,588	\$22,861	\$24,131	\$25,223	22.5%
King*	\$31,868	\$34,203	\$36,476	\$40,519	\$44,719	40.3%
Kitsap*	\$20,633	\$21,309	\$22,434	\$23,085	\$23,902	15.8%
Kittitas	\$17,930	\$18,768	\$19,323	\$20,263	\$20,771	15.8%
Klickitat	\$17,490	\$19,084	\$19,387	\$19,434	\$19,815	13.3%
Lewis	\$18,091	\$18,856	\$19,589	\$19,889	\$20,851	15.3%
Lincoln	\$19,587	\$22,133	\$21,808	\$21,053	\$20,839	6.4%
Mason	\$17,149	\$17,880	\$18,527	\$19,419	\$20,146	17.5%
Okanogan	\$17,761	\$19,003	\$19,191	\$19,892	\$20,068	13.0%
Pacific	\$17,644	\$18,338	\$19,177	\$19,987	\$20,523	16.3%
Pend Oreille	\$16,094	\$16,764	\$17,535	\$17,817	\$18,911	17.5%
Pierce*	\$20,842	\$21,785	\$23,490	\$24,455	\$25,289	21.3%
San Juan	\$30,273	\$31,834	\$34,521	\$36,563	\$37,843	25.0%
Skagit	\$21,299	\$22,263	\$23,259	\$24,104	\$25,184	18.2%
Skamania	\$17,631	\$19,395	\$19,967	\$20,776	\$21,702	23.1%
Snohomish*	\$22,754	\$24,146	\$26,170	\$27,109	\$28,105	23.5%
Spokane*	\$20,523	\$21,434	\$22,567	\$23,365	\$24,368	18.7%
Stevens	\$15,098	\$15,456	\$16,257	\$16,907	\$17,316	14.7%
Thurston*	\$21,837	\$22,565	\$23,778	\$24,883	\$25,760	18.0%
Wahkiakum	\$17,752	\$18,160	\$19,199	\$19,970	\$21,061	18.6%
Walla Walla	\$18,013	\$19,755	\$20,123	\$20,914	\$21,366	18.6%
Whatcom#	\$19,718	\$20,836	\$21,536	\$22,561	\$23,228	17.8%
Whitman	\$16,229	\$18,233	\$18,302	\$18,547	\$19,082	17.6%
Yakima#	\$18,362	\$19,511	\$20,047	\$20,674	\$20,811	13.3%

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.5
1999 Per Capita Personal Income and Median Home Prices
 Ordered by 1999 Per Capita Personal Income Rank

	Per Capita Personal Income	Rank	Median Home Price	Rank
King*	\$44,719	1	\$233,000	2
San Juan	\$37,843	2	\$245,000	1
Clark*	\$28,116	3	\$139,900	10
Snohomish*	\$28,105	4	\$185,000	3
Island*	\$25,834	5	\$146,800	5
Thurston*	\$25,760	6	\$129,000	11
Chelan	\$25,483	7	\$127,400	12
Pierce*	\$25,289	8	\$145,000	6
Jefferson	\$25,223	9	\$155,900	4
Skagit	\$25,184	10	\$144,600	7
Benton#	\$25,004	11	\$110,200	20
Spokane*	\$24,368	12	\$105,300	24
Kitsap*	\$23,902	13	\$143,100	8
Clallam	\$23,454	14	\$120,000	15
Whatcom#	\$23,228	15	\$143,100	8
Cowlitz	\$22,783	16	\$114,000	19
Skamania	\$21,702	17	N/A	N/A
Asotin	\$21,615	18	\$89,700	30
Walla Walla	\$21,366	19	\$102,300	26
Wahkiakum	\$21,061	20	\$110,000	22
Grays Harbor	\$21,004	21	\$82,900	33
Adams	\$20,941	22	\$115,900	17
Lewis	\$20,851	23	\$85,000	32
Lincoln	\$20,839	24	N/A	N/A
Yakima#	\$20,811	25	\$106,000	23
Kittitas	\$20,771	26	\$116,000	16
Pacific	\$20,523	27	\$75,000	34
Columbia	\$20,257	28	N/A	N/A
Mason	\$20,146	29	\$103,000	25
Okanogan	\$20,068	30	N/A	N/A
Klickitat	\$19,815	31	N/A	N/A
Grant	\$19,424	32	\$115,900	17
Douglas	\$19,204	33	\$127,400	12
Whitman	\$19,082	34	\$124,000	14
Pend Oreille	\$18,911	35	\$90,000	27
Garfield	\$18,237	36	\$89,700	30
Franklin#	\$17,961	37	\$110,200	20
Stevens	\$17,316	38	\$90,000	27
Ferry	\$16,305	39	\$90,000	27
Washington	\$30,380		\$166,600	

Source: U.S. Department of Commerce, Bureau of Economic Analysis; Washington Center for Real Estate Research.

Footnotes for Tables 4.1, 4.4 and 4.5

- # Metropolitan area (Defined by the US Office of Management and Budget: The general concept of a metropolitan area is that of a large population nucleus, together with adjacent communities having a high degree of social and economic integration with that core. Metropolitan areas comprise one or more entire counties, except in New England, where cities and towns are the basic geographic units.).
- * Urban area (Laws of Washington Chapter 311, counties with greater than 100 persons per square mile. All urban areas are also metropolitan areas.).
- ** Population numbers are based upon data available as of March 2000 and do not reflect 2000 Census revisions.
- NA Data not available for this year.

Footnotes for Tables 4.2 and 4.3

- ** Population numbers are based upon data available as of March 2000 and do not reflect 2000 Census revisions.
1. The employment estimates used to compute the average wage are a job, not person, count. People holding more than one job are counted in the employment estimates for each job they hold.
 2. Industries are classified according to the 1987 Standard Industrial Classification (SIC).
 3. Farm income consists of proprietors' income; the cash wages, pay-in-kind, and other labor income of hired farm workers; and the salaries of officers of corporate farms.
 4. Personal contributions for social insurance are included in earnings by type and industry but they are excluded from personal income.
 5. The adjustment for residence is the net inflow of the earnings of interarea commuters. For the United States, it consists of adjustments for border workers: Wage and salary disbursements to U.S. residents commuting to Canada less wage and salary disbursements to Canadian and Mexican residents commuting into the United States.
 6. Rental income of persons includes the capital consumption adjustment.
 7. Proprietors income includes the inventory valuation adjustment and capital consumption adjustment.
 8. "Other" consists of wage and salary disbursements to U.S. residents employed by international organizations and foreign embassies and consulates in the United States.
- (D) Not shown to avoid disclosure of confidential information, but estimates for this item are included in the totals.
- (L) Less than \$50,000, but the estimates for this item are included in the totals.
- (N) Data not available for this year.

Detail Components of the Washington Economic Forecast

Calendar Years

Table A1.1
U.S. Economic Forecast Summary
 Forecast 2001 to 2003

	1996	1997	1998	1999	2000	2001	2002	2003
Real National Income Accounts (Billions of Chained 1996 Dollars)								
Real Gross Domestic Product	7,813.2	8,159.4	8,515.6	8,875.7	9,318.5	9,510.4	9,803.5	10,169.6
% Ch	3.6	4.4	4.4	4.2	5.0	2.1	3.1	3.7
Real Consumption	5237.5	5423.9	5678.7	5978.8	6294.3	6476.5	6687.7	6924.9
% Ch	3.2	3.6	4.7	5.3	5.3	2.9	3.3	3.5
Real Nonresidential Fixed Investment	899.4	1,009.3	1,140.3	1,255.3	1,413.7	1,439.4	1,507.1	1,612.1
% Ch	10.0	12.2	13.0	10.1	12.6	1.8	4.7	7.0
Real Residential Fixed Investment	313.3	319.7	346.1	368.3	366.3	353.2	350.8	362.7
% Ch	7.4	2.0	8.3	6.4	-0.5	-3.6	-0.7	3.4
Real Personal Income	6,547.3	6,804.9	7,173.5	7,429.8	7,714.3	7,883.8	8,090.2	8,398.7
% Ch	3.4	3.9	5.4	3.6	3.8	2.2	2.6	3.8
Real Per Capita Income (\$/Person)	24,629	25,357	26,488	27,190	27,981	28,340	28,823	29,659
% Ch	2.4	3.0	4.5	2.7	2.9	1.3	1.7	2.9
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.000	1.019	1.030	1.048	1.073	1.097	1.120	1.148
% Ch	2.1	1.9	1.1	1.8	2.4	2.2	2.1	2.5
U.S. Consumer Price Index (1982-84=1.0)	1.570	1.606	1.631	1.667	1.723	1.777	1.820	1.865
% Ch	2.9	2.3	1.5	2.2	3.4	3.2	2.4	2.5
Employment Cost Index (June 1989=1.0)	1.260	1.304	1.356	1.403	1.460	1.510	1.570	1.636
% Ch	3.3	3.5	4.0	3.4	4.1	3.4	4.0	4.2
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	7,813.2	8,318.4	8,790.2	9,299.2	9,963.1	10,382.7	10,951.0	11,661.5
% Ch	5.6	6.5	5.7	5.8	7.1	4.2	5.5	6.5
Personal Income	6,547.4	6,937.0	7,391.0	7,789.7	8,281.7	8,647.8	9,063.2	9,642.7
% Ch	5.6	6.0	6.5	5.4	6.3	4.4	4.8	6.4
Employment (Millions)								
U.S. Civilian Labor Force	134.0	136.3	137.7	139.4	140.9	142.2	143.9	145.6
Total U.S. Employment	126.7	129.6	131.5	133.5	135.2	135.6	136.7	138.8
Unemployment Rate (%)	5.41	4.95	4.51	4.23	4.01	4.67	4.98	4.68
Wage and Salary Employment	119.60	122.68	125.85	128.77	131.41	132.38	133.59	135.44
% Ch	2.1	2.6	2.6	2.3	2.0	0.7	0.9	1.4
Manufacturing	18.50	18.68	18.81	18.54	18.44	17.83	17.52	17.68
% Ch	-0.2	1.0	0.7	-1.4	-0.5	-3.3	-1.7	0.9
Durable Manufacturing	10.79	11.01	11.21	11.10	11.09	10.66	10.40	10.56
% Ch	1.0	2.0	1.8	-0.9	-0.1	-3.8	-2.5	1.5
Nondurable Manufacturing	7.71	7.67	7.60	7.44	7.35	7.16	7.12	7.12
% Ch	-1.7	-0.5	-0.8	-2.1	-1.1	-2.6	-0.6	-0.0
Nonmanufacturing	101.10	104.00	107.04	110.23	112.97	114.55	116.07	117.76
% Ch	2.5	2.9	2.9	3.0	2.5	1.4	1.3	1.5
Services	34.46	36.04	37.53	39.02	40.38	41.14	42.17	43.30
% Ch	4.0	4.6	4.1	4.0	3.5	1.9	2.5	2.7
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	20.4	20.4	20.2	20.5	21.2	21.5	21.0	20.6
Auto Sales (Millions)	8.5	8.3	8.1	8.7	8.9	8.3	8.8	8.8
% Ch	-1.8	-3.0	-1.6	6.8	1.8	-6.1	5.3	0.9
Housing Starts (Millions)	1.469	1.475	1.621	1.676	1.605	1.509	1.532	1.580
% Ch	7.9	0.4	9.9	3.4	-4.2	-6.0	1.5	3.1
Federal Budget Surplus (Billions)	-136.8	-53.3	49.0	124.5	251.8	187.9	140.4	105.3
Net Exports (Billions)	-89.0	-89.3	-151.5	-254.0	-370.7	-372.2	-409.1	-417.4
3-Month Treasury Bill Rate (%)	5.01	5.06	4.78	4.64	5.82	3.80	3.62	4.59
30-Year U.S. Govt. Bond Rate (%)	6.70	6.61	5.58	5.87	5.94	5.58	5.91	6.31
Bond Index of 20 G.O. Munis. (%)	5.76	5.52	5.09	5.43	5.70	5.28	5.61	5.83
Mortgage Rate (%)	7.81	7.60	6.95	7.43	8.06	6.95	7.13	7.72

Table A1.2
U.S. Economic Forecast Summary
 Forecast 2001 to 2003

	1998:1	1998:2	1998:3	1998:4	1999:1	1999:2	1999:3	1999:4
Real National Income Accounts (Billions of Chained 1996 Dollars)								
Real Gross Domestic Product	8,404.9	8,465.6	8,537.6	8,654.5	8,730.0	8,783.2	8,905.8	9,084.1
% Ch	6.5	2.9	3.4	5.6	3.5	2.5	5.7	8.3
Real Consumption	5,572.4	5,651.6	5,711.0	5,779.8	5,860.2	5,940.2	6,013.8	6,101.0
% Ch	4.8	5.8	4.3	4.9	5.7	5.6	5.0	5.9
Real Nonresidential Fixed Investment	1,096.0	1,136.4	1,146.3	1,182.3	1,209.4	1,237.5	1,272.5	1,301.8
% Ch	20.1	15.6	3.5	13.2	9.5	9.6	11.8	9.5
Real Residential Fixed Investment	332.4	342.4	350.9	358.5	365.7	370.9	368.0	368.5
% Ch	9.6	12.6	10.3	8.9	8.2	5.9	-3.1	0.5
Real Personal Income	7,053.0	7,137.5	7,215.0	7,288.4	7,334.0	7,390.5	7,449.3	7,545.3
% Ch	7.3	4.9	4.4	4.1	2.5	3.1	3.2	5.3
Real Per Capita Income (\$/Person)	26,132	26,385	26,612	26,823	26,930	27,077	27,232	27,522
% Ch	6.3	3.9	3.5	3.2	1.6	2.2	2.3	4.3
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.025	1.028	1.032	1.036	1.040	1.046	1.051	1.057
% Ch	0.4	1.2	1.4	1.5	1.7	2.3	1.9	2.2
U.S. Consumer Price Index (1982-84=1.0)	1.622	1.627	1.634	1.642	1.649	1.660	1.672	1.685
% Ch	1.0	1.2	1.8	2.0	1.6	2.9	2.8	3.2
Employment Cost Index (June 1989=1.0)	1.337	1.348	1.365	1.375	1.381	1.397	1.409	1.423
% Ch	4.0	3.3	5.1	3.0	1.8	4.7	3.5	4.0
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	8,634.7	8,722.0	8,829.1	8,974.9	9,104.5	9,191.5	9,340.9	9,559.7
% Ch	7.6	4.1	5.0	6.8	5.9	3.9	6.7	9.7
Personal Income	7,230.7	7,339.5	7,445.1	7,548.6	7,628.1	7,729.7	7,828.5	7,972.3
% Ch	7.7	6.2	5.9	5.7	4.3	5.4	5.2	7.6
Employment (Millions)								
U.S. Civilian Labor Force	137.1	137.3	137.8	138.4	138.9	139.1	139.5	140.0
Total U.S. Employment	130.8	131.2	131.6	132.3	132.9	133.2	133.6	134.3
Unemployment Rate (%)	4.67	4.43	4.50	4.43	4.30	4.30	4.23	4.10
Wage and Salary Employment	124.75	125.49	126.18	126.97	127.80	128.43	129.07	129.78
% Ch	2.6	2.4	2.2	2.5	2.6	2.0	2.0	2.2
Manufacturing	18.87	18.87	18.77	18.72	18.63	18.54	18.52	18.48
% Ch	1.5	-0.0	-2.2	-1.0	-1.8	-1.9	-0.6	-0.7
Durable Manufacturing	11.23	11.24	11.18	11.17	11.13	11.09	11.10	11.08
% Ch	2.9	0.7	-2.3	-0.2	-1.6	-1.3	0.4	-0.7
Nondurable Manufacturing	7.65	7.63	7.59	7.54	7.50	7.45	7.41	7.40
% Ch	-0.5	-1.1	-2.1	-2.3	-2.1	-2.8	-2.0	-0.8
Nonmanufacturing	105.88	106.61	107.42	108.25	109.17	109.89	110.56	111.30
% Ch	2.8	2.8	3.0	3.1	3.4	2.7	2.5	2.7
Services	37.00	37.34	37.69	38.07	38.47	38.84	39.19	39.60
% Ch	4.2	3.7	3.8	4.1	4.2	3.9	3.7	4.2
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	20.1	20.1	20.2	20.2	20.4	20.4	20.5	20.6
Auto Sales (Millions)	8.0	8.4	7.7	8.5	8.4	8.8	8.8	8.8
% Ch	-5.3	22.0	-29.7	52.9	-7.8	21.4	1.4	0.7
Housing Starts (Millions)	1.559	1.572	1.631	1.722	1.760	1.591	1.663	1.689
% Ch	7.1	3.6	15.9	24.3	9.0	-33.2	19.5	6.5
Federal Budget Surplus (Billions)	25.9	41.9	71.9	56.4	89.7	117.5	147.3	143.3
Net Exports (Billions)	-117.5	-151.8	-167.6	-169.0	-196.1	-240.4	-280.5	-299.1
3-Month Treasury Bill Rate (%)	5.05	4.98	4.82	4.26	4.41	4.45	4.65	5.04
30-Year U.S. Govt. Bond Rate (%)	5.88	5.85	5.47	5.11	5.37	5.80	6.04	6.25
Bond Index of 20 G.O. Munis. (%)	5.12	5.18	5.07	4.98	5.05	5.21	5.56	5.91
Mortgage Rate (%)	7.05	7.09	6.86	6.77	6.88	7.21	7.80	7.83

Table A1.2
U.S. Economic Forecast Summary
 Forecast 2001 to 2003

	2000:1	2000:2	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4
Real National Income Accounts (Billions of Chained 1996 Dollars)								
Real Gross Domestic Product	9,191.8	9,318.9	9,369.5	9,393.7	9,439.9	9,475.1	9,529.1	9,597.5
% Ch	4.8	5.6	2.2	1.0	2.0	1.5	2.3	2.9
Real Consumption	6,213.5	6,260.6	6,329.8	6,373.3	6,422.6	6,454.2	6,487.3	6,542.1
% Ch	7.6	3.1	4.5	2.8	3.1	2.0	2.1	3.4
Real Nonresidential Fixed Investment	1,365.3	1,412.5	1,438.8	1,438.3	1,442.2	1,431.2	1,435.1	1,449.1
% Ch	21.0	14.6	7.7	-0.1	1.1	-3.0	1.1	3.9
Real Residential Fixed Investment	371.4	372.6	362.3	359.0	361.9	358.7	349.5	342.5
% Ch	3.2	1.3	-10.6	-3.6	3.3	-3.5	-9.8	-7.8
Real Personal Income	7,606.1	7,694.3	7,759.3	7,797.3	7,846.3	7,868.3	7,896.2	7,924.4
% Ch	3.3	4.7	3.4	2.0	2.5	1.1	1.4	1.4
Real Per Capita Income (\$/Person)	27,682	27,941	28,114	28,188	28,301	28,316	28,353	28,391
% Ch	2.4	3.8	2.5	1.1	1.6	0.2	0.5	0.5
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.066	1.071	1.076	1.081	1.090	1.094	1.099	1.104
% Ch	3.5	2.1	1.8	1.9	3.3	1.6	1.8	2.0
U.S. Consumer Price Index (1982-84=1.0)	1.703	1.715	1.730	1.743	1.761	1.772	1.783	1.793
% Ch	4.2	3.0	3.5	2.9	4.2	2.7	2.3	2.3
Employment Cost Index (June 1989=1.0)	1.439	1.454	1.467	1.479	1.495	1.498	1.513	1.533
% Ch	4.6	4.2	3.6	3.3	4.4	0.9	4.1	5.4
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	9,752.7	9,945.7	10,039.4	10,114.4	10,243.6	10,313.5	10,418.6	10,555.1
% Ch	8.3	8.2	3.8	3.0	5.2	2.8	4.1	5.3
Personal Income	8,105.8	8,242.1	8,349.0	8,429.7	8,550.9	8,609.0	8,679.0	8,752.3
% Ch	6.9	6.9	5.3	3.9	5.9	2.7	3.3	3.4
Employment (Millions)								
U.S. Civilian Labor Force	140.7	140.8	140.7	141.2	141.9	141.9	142.4	142.8
Total U.S. Employment	135.0	135.2	135.0	135.6	135.9	135.3	135.5	135.7
Unemployment Rate (%)	4.03	4.03	4.00	3.97	4.23	4.64	4.81	4.99
Wage and Salary Employment	130.63	131.55	131.62	131.84	132.23	132.21	132.40	132.66
% Ch	2.6	2.9	0.2	0.7	1.2	-0.1	0.6	0.8
Manufacturing	18.48	18.49	18.45	18.35	18.13	17.87	17.72	17.59
% Ch	-0.0	0.1	-0.7	-2.2	-4.7	-5.5	-3.4	-3.0
Durable Manufacturing	11.09	11.11	11.10	11.05	10.90	10.72	10.58	10.46
% Ch	0.3	0.6	-0.4	-1.8	-5.4	-6.5	-4.8	-4.7
Nondurable Manufacturing	7.39	7.38	7.35	7.30	7.23	7.16	7.14	7.13
% Ch	-0.5	-0.5	-1.3	-2.8	-3.8	-3.9	-1.1	-0.5
Nonmanufacturing	112.14	113.06	113.17	113.49	114.10	114.33	114.68	115.08
% Ch	3.1	3.3	0.4	1.1	2.2	0.8	1.2	1.4
Services	39.95	40.27	40.55	40.75	40.94	40.92	41.21	41.50
% Ch	3.6	3.3	2.8	2.0	1.9	-0.2	2.9	2.9
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	20.8	21.0	21.2	21.6	21.8	21.8	21.1	21.4
Auto Sales (Millions)	9.4	8.9	8.8	8.3	8.7	8.3	8.1	8.1
% Ch	26.8	-16.9	-5.9	-21.7	22.8	-16.9	-12.0	3.6
Housing Starts (Millions)	1.732	1.605	1.528	1.557	1.639	1.547	1.426	1.422
% Ch	10.5	-26.3	-17.9	7.8	23.0	-20.7	-27.8	-1.3
Federal Budget Surplus (Billions)	235.8	240.9	253.3	277.0	286.9	255.2	53.4	156.1
Net Exports (Billions)	-335.2	-355.4	-389.5	-402.7	-361.0	-369.6	-378.6	-379.7
3-Month Treasury Bill Rate (%)	5.52	5.71	6.02	6.02	4.82	3.87	3.33	3.20
30-Year U.S. Govt. Bond Rate (%)	6.30	5.98	5.80	5.69	5.44	5.67	5.59	5.60
Bond Index of 20 G.O. Munis. (%)	5.96	5.85	5.56	5.45	5.14	5.32	5.28	5.39
Mortgage Rate (%)	8.26	8.32	8.03	7.64	7.01	6.99	6.90	6.89

Table A1.2
U.S. Economic Forecast Summary
 Forecast 2001 to 2003

	2002:1	2002:02	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Real National Income Accounts (Billions of Chained 1996 Dollars)								
Real Gross Domestic Product	9,678.0	9,761.6	9,845.9	9,928.6	10,044.6	10,135.2	10,208.6	10,290.2
% Ch	3.4	3.5	3.5	3.4	4.8	3.7	2.9	3.2
Real Consumption	6,610.2	6,665.6	6,713.9	6,761.2	6,838.3	6,903.7	6,953.1	7,004.7
% Ch	4.2	3.4	2.9	2.8	4.6	3.9	2.9	3.0
Real Nonresidential Fixed Investment	1,468.3	1,493.2	1,520.7	1,546.3	1,572.7	1,600.9	1,626.3	1,648.6
% Ch	5.4	7.0	7.6	6.9	7.0	7.4	6.5	5.6
Real Residential Fixed Investment	344.3	348.8	354.1	355.9	359.2	362.2	363.9	365.6
% Ch	2.1	5.2	6.3	2.0	3.8	3.4	1.9	1.9
Real Personal Income	7,995.0	8,055.7	8,121.8	8,188.5	8,283.3	8,369.9	8,438.8	8,502.7
% Ch	3.6	3.1	3.3	3.3	4.7	4.2	3.3	3.1
Real Per Capita Income (\$/Person)	28,579	28,732	28,904	29,076	29,348	29,590	29,768	29,928
% Ch	2.7	2.2	2.4	2.4	3.8	3.3	2.4	2.2
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.110	1.117	1.123	1.130	1.137	1.144	1.152	1.159
% Ch	2.1	2.3	2.4	2.5	2.5	2.4	2.6	2.6
U.S. Consumer Price Index (1982-84=1.0)	1.803	1.814	1.825	1.837	1.848	1.859	1.871	1.883
% Ch	2.4	2.4	2.5	2.5	2.5	2.4	2.6	2.6
Employment Cost Index (June 1989=1.0)	1.547	1.561	1.578	1.593	1.610	1.627	1.645	1.661
% Ch	3.8	3.6	4.5	3.8	4.4	4.1	4.5	4.1
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	10,712.4	10,867.4	11,030.7	11,193.3	11,405.4	11,580.7	11,743.9	11,916.0
% Ch	6.1	5.9	6.1	6.0	7.8	6.3	5.8	6.0
Personal Income	8,877.3	8,995.4	9,124.1	9,255.8	9,421.7	9,576.9	9,717.8	9,854.5
% Ch	5.8	5.4	5.8	5.9	7.4	6.8	6.0	5.7
Employment (Millions)								
U.S. Civilian Labor Force	143.2	143.6	144.1	144.5	144.9	145.4	145.9	146.3
Total U.S. Employment	136.0	136.4	136.9	137.4	138.0	138.5	139.1	139.6
Unemployment Rate (%)	5.05	5.02	4.96	4.90	4.79	4.71	4.64	4.58
Wage and Salary Employment	133.00	133.38	133.79	134.20	134.76	135.28	135.66	136.03
% Ch	1.0	1.2	1.2	1.2	1.7	1.6	1.1	1.1
Manufacturing	17.49	17.48	17.52	17.57	17.62	17.67	17.71	17.70
% Ch	-2.2	-0.2	1.0	1.1	1.0	1.2	0.9	-0.1
Durable Manufacturing	10.38	10.37	10.40	10.44	10.49	10.54	10.59	10.61
% Ch	-3.1	-0.3	1.3	1.6	1.6	2.1	1.9	0.7
Nondurable Manufacturing	7.12	7.12	7.12	7.13	7.13	7.13	7.12	7.10
% Ch	-0.8	-0.0	0.5	0.4	0.2	-0.1	-0.7	-1.3
Nonmanufacturing	115.51	115.90	116.26	116.63	117.14	117.61	117.95	118.33
% Ch	1.5	1.4	1.3	1.3	1.8	1.6	1.2	1.3
Services	41.76	42.02	42.31	42.58	42.91	43.19	43.43	43.66
% Ch	2.5	2.5	2.8	2.6	3.1	2.7	2.2	2.1
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	21.2	21.1	21.0	20.8	20.7	20.6	20.5	20.5
Auto Sales (Millions)	8.5	8.8	8.9	8.8	8.9	8.9	8.8	8.7
% Ch	21.4	11.4	5.1	-3.1	3.9	1.3	-5.6	-4.4
Housing Starts (Millions)	1.501	1.533	1.539	1.554	1.558	1.573	1.586	1.602
% Ch	24.2	8.9	1.4	4.1	0.9	3.8	3.4	4.1
Federal Budget Surplus (Billions)	157.2	148.0	137.7	118.7	96.9	97.0	110.2	116.9
Net Exports (Billions)	-390.7	-412.0	-420.3	-413.1	-408.6	-421.4	-424.3	-415.5
3-Month Treasury Bill Rate (%)	3.21	3.45	3.69	4.14	4.39	4.63	4.66	4.67
30-Year U.S. Govt. Bond Rate (%)	5.64	5.81	5.97	6.21	6.28	6.37	6.32	6.28
Bond Index of 20 G.O. Munis. (%)	5.44	5.48	5.68	5.85	5.85	5.90	5.81	5.74
Mortgage Rate (%)	6.80	6.97	7.21	7.54	7.67	7.76	7.75	7.70

Table A1.3
Washington Economic Forecast Summary
 Forecast 2001 to 2003

	1996	1997	1998	1999	2000	2001	2002	2003
Real Income (Billions of Chained 1996 Dollars)								
Real Personal Income	139.320	147.338	157.770	166.784	173.674	174.272	179.166	186.229
% Ch	5.2	5.8	7.1	5.7	4.1	0.3	2.8	3.9
Real Wage and Salary Disb.	77.304	83.762	91.267	98.685	102.561	102.333	105.461	109.184
% Ch	5.6	8.4	9.0	8.1	3.9	-0.2	3.1	3.5
Real Nonwage Income	62.016	63.575	66.503	68.099	71.113	71.940	73.705	77.045
% Ch	4.6	2.5	4.6	2.4	4.4	1.2	2.5	4.5
Real Per Capita Income (\$/Person)	24,782	25,779	27,211	28,439	29,357	29,157	29,607	30,349
% Ch	3.4	4.0	5.6	4.5	3.2	-0.7	1.5	2.5
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.000	1.019	1.030	1.048	1.073	1.097	1.120	1.148
% Ch	2.1	1.9	1.1	1.8	2.4	2.2	2.1	2.5
Seattle Cons. Price Index (1982-84=1.0)	1.575	1.630	1.678	1.728	1.792	1.853	1.894	1.935
% Ch	3.4	3.5	2.9	3.0	3.7	3.4	2.3	2.2
Avg. Hourly Earnings-Mfg. (\$/Hour)	14.73	15.14	15.75	16.14	16.76	17.55	17.92	18.28
% Ch	0.0	2.8	4.0	2.5	3.9	4.7	2.1	2.0
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	138.45	149.74	162.01	174.8	186.21	190.81	200.2	213.228
% Ch	7.2	8.2	8.2	7.9	6.5	2.5	4.9	6.5
Personal Income	139.328	150.203	162.555	174.877	186.432	191.163	200.713	213.814
% Ch	7.4	7.8	8.2	7.6	6.6	2.5	5.0	6.5
Disposable Personal Income	120.821	129.225	139.000	149.011	157.357	162.271	171.614	183.683
% Ch	6.5	7.0	7.6	7.2	5.6	3.1	5.8	7.0
Per Capita Income (\$/Person)	24,783	26,280	28,036	29,819	31,513	31,982	33,167	34,844
% Ch	5.6	6.0	6.7	6.4	5.7	1.5	3.7	5.1
Employment (Thousands)								
Washington Civilian Labor Force	2,878.6	2,981.2	3,037.2	3,074.6	3,045.8	3,109.6	3,156.4	3,216.1
Total Washington Employment	2,691.6	2,839.6	2,892.5	2,929.2	2,887.9	2,930.7	2,965.0	3,019.5
Unemployment Rate (%)	6.50	4.75	4.76	4.73	5.18	5.75	6.06	6.11
Wage and Salary Employment	2415.6	2514.2	2594.7	2648.7	2713.8	2741.6	2778.7	2832.95
% Ch	2.9	4.1	3.2	2.1	2.5	1.0	1.4	2.0
Manufacturing	344.78	370.02	379.56	364.12	350.98	341.7	342.55	350.842
% Ch	3.7	7.3	2.6	-4.1	-3.6	-2.6	0.2	2.4
Durable Manufacturing	235.0	261.3	271.0	255.8	243.1	236.4	236.8	243.9
% Ch	5.0	11.2	3.7	-5.6	-5.0	-2.8	0.2	3.0
Aerospace	86.3	105.0	112.4	98.9	86.2	86.6	88.3	90.9
% Ch	7.7	21.6	7.1	-12.0	-12.8	0.4	2.0	3.0
Nondurable Manufacturing	109.73	108.76	108.59	108.33	107.86	105.3	105.72	106.989
% Ch	1.1	-0.9	-0.2	-0.2	-0.4	-2.4	0.4	1.2
Nonmanufacturing	2,070.8	2,144.2	2,215.1	2,284.6	2,362.8	2,399.9	2,436.2	2,482.1
% Ch	2.8	3.5	3.3	3.1	3.4	1.6	1.5	1.9
Construction	127.8	136.3	143.7	153.8	161.1	163.6	162.4	164.7
% Ch	4.8	6.6	5.4	7.1	4.7	1.6	-0.7	1.4
Services	649.1	678.8	709.3	739.7	780.1	801.2	824.8	851.6
% Ch	4.1	4.6	4.5	4.3	5.5	2.7	2.9	3.3
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	39.597	41.089	45.727	42.752	39.021	38.073	40.526	42.029
% Ch	3.8	3.8	11.3	-6.5	-8.7	-2.4	6.4	3.7
Single-Family	27.015	27.776	28.644	28.111	25.471	27.006	26.557	26.206
% Ch	0.9	2.8	3.1	-1.9	-9.4	6.0	-1.7	-1.3
Multi-Family	12.582	13.313	17.083	14.641	13.550	11.067	13.969	15.823
% Ch	10.5	5.8	28.3	-14.3	-7.5	-18.3	26.2	13.3
Mortgage Rate (%)	7.81	7.60	6.95	7.43	8.06	6.95	7.13	7.72

Table A1.4
Washington Economic Forecast Summary
 Forecast 2001 to 2003

	1998:1	1998:2	1998:3	1998:4	1999:1	1999:2	1999:3	1999:4
Real Income (Billions of Chained 1996 Dollars)								
Real Personal Income	154.335	156.690	159.396	160.659	163.223	162.930	168.199	172.783
% Ch	10.6	6.2	7.1	3.2	6.5	-0.7	13.6	11.4
Real Wage and Salary Disb.	88.721	90.444	92.581	93.322	96.110	95.222	100.006	103.401
% Ch	12.8	8.0	9.8	3.2	12.5	-3.6	21.7	14.3
Real Nonwage Income	65.615	66.245	66.815	67.336	67.114	67.709	68.192	69.383
% Ch	7.8	3.9	3.5	3.2	-1.3	3.6	2.9	7.2
Real Per Capita Income (\$/Person)	26,755	27,072	27,447	27,572	27,919	27,812	28,653	29,374
% Ch	9.0	4.8	5.7	1.8	5.1	-1.5	12.7	10.5
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.025	1.028	1.032	1.036	1.040	1.046	1.051	1.057
% Ch	0.4	1.2	1.4	1.5	1.7	2.3	1.9	2.2
Seattle Cons. Price Index (1982-84=1.0)	1.664	1.667	1.683	1.696	1.709	1.722	1.733	1.748
% Ch	4.2	0.6	3.9	3.0	3.2	3.1	2.6	3.4
Avg. Hourly Earnings-Mfg. (\$/Hour)	15.49	15.67	15.85	15.99	15.98	16.06	16.24	16.29
% Ch	2.2	4.7	4.5	3.7	-0.3	2.1	4.4	1.3
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	157.699	160.630	164.040	165.678	169.729	170.363	176.801	182.303
% Ch	10.9	7.6	8.8	4.1	10.1	1.5	16.0	13.0
Personal Income	158.220	161.120	164.488	166.392	169.770	170.416	176.760	182.560
% Ch	11.0	7.5	8.6	4.7	8.4	1.5	15.7	13.8
Disposable Personal Income	135.555	137.929	140.538	141.980	144.995	145.429	150.478	155.142
% Ch	10.3	7.2	7.8	4.2	8.8	1.2	14.6	13.0
Per Capita Income (\$/Person)	27,428	27,837	28,324	28,556	29,038	29,090	30,111	31,036
% Ch	9.4	6.1	7.2	3.3	6.9	0.7	14.8	12.9
Employment (Thousands)								
Washington Civilian Labor Force	3,022.3	3,027.3	3,034.8	3,064.4	3,084.4	3,086.4	3,076.6	3,051.1
Total Washington Employment	2,880.6	2,884.6	2,888.0	2,916.8	2,940.4	2,939.1	2,930.7	2,906.6
Unemployment Rate (%)	4.69	4.72	4.83	4.82	4.67	4.77	4.74	4.74
Wage and Salary Employment	2,570.8	2,586.7	2,604.5	2,616.6	2,630.7	2,633.6	2,658.4	2,672.1
% Ch	3.5	2.5	2.8	1.9	2.2	0.5	3.8	2.1
Manufacturing	381.4	381.5	380.2	375.1	370.6	366.1	361.4	358.5
% Ch	4.4	0.0	-1.3	-5.3	-4.8	-4.8	-5.0	-3.2
Durable Manufacturing	272.6	273.2	271.3	266.8	262.7	257.9	253.0	249.6
% Ch	5.6	0.9	-2.6	-6.5	-6.0	-7.1	-7.5	-5.3
Aerospace	112.4	113.7	113.2	110.3	106.3	101.1	96.0	92.1
% Ch	7.4	4.7	-1.5	-10.1	-13.5	-18.4	-18.6	-15.3
Nondurable Manufacturing	108.9	108.3	108.9	108.3	107.8	108.1	108.4	108.9
% Ch	1.5	-2.1	2.1	-2.1	-1.7	1.1	1.0	1.9
Nonmanufacturing	2,189.4	2,205.2	2,224.2	2,241.5	2,260.1	2,267.6	2,297.0	2,313.6
% Ch	3.3	2.9	3.5	3.1	3.4	1.3	5.3	2.9
Construction	140.7	141.6	144.5	147.9	150.2	152.7	155.0	157.3
% Ch	6.0	2.7	8.2	9.8	6.4	6.8	6.2	6.1
Services	698.7	706.2	712.1	720.1	727.5	732.7	745.1	753.6
% Ch	3.8	4.4	3.4	4.6	4.1	2.9	7.0	4.6
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	49.182	43.726	43.654	46.346	40.969	48.847	40.247	40.945
% Ch	86.5	-37.5	-0.7	27.0	-38.9	102.1	-53.9	7.1
Single-Family	29.501	29.453	28.210	27.412	28.353	29.032	27.876	27.183
% Ch	-2.2	-0.6	-15.9	-10.8	14.5	9.9	-15.0	-9.6
Multi-Family	19.681	14.273	15.445	18.934	12.616	19.815	12.371	13.762
% Ch	530.4	-72.3	37.1	125.9	-80.3	508.4	-84.8	53.1
Mortgage Rate (%)	7.05	7.09	6.86	6.77	6.88	7.21	7.80	7.83

Table A1.4
Washington Economic Forecast Summary
 Forecast 2001 to 2003

	2000:1	2000:2	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4
Real Income (Billions of Chained 1996 Dollars)								
Real Personal Income	176.113	173.064	172.829	172.690	172.256	174.314	174.999	175.520
% Ch	7.9	-6.7	-0.5	-0.3	-1.0	4.9	1.6	1.2
Real Wage and Salary Disb.	106.063	102.170	100.974	101.037	100.389	102.424	102.960	103.557
% Ch	10.7	-13.9	-4.6	0.2	-2.5	8.4	2.1	2.3
Real Nonwage Income	70.049	70.894	71.855	71.653	71.866	71.890	72.039	71.963
% Ch	3.9	4.9	5.5	-1.1	1.2	0.1	0.8	-0.4
Real Per Capita Income (\$/Person)	29,879	29,289	29,177	29,082	28,937	29,209	29,241	29,241
% Ch	7.1	-7.7	-1.5	-1.3	-2.0	3.8	0.5	-0.0
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.066	1.071	1.076	1.081	1.090	1.094	1.099	1.104
% Ch	3.5	2.1	1.8	1.9	3.3	1.6	1.8	2.0
Seattle Cons. Price Index (1982-84=1.0)	1.763	1.782	1.802	1.820	1.838	1.844	1.855	1.873
% Ch	3.6	4.4	4.6	4.0	4.1	1.1	2.6	3.8
Avg. Hourly Earnings-Mfg. (\$/Hour)	16.52	16.60	16.80	17.14	17.29	17.55	17.63	17.73
% Ch	5.8	1.8	4.8	8.5	3.5	6.0	1.8	2.4
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	187.565	185.315	185.384	186.591	187.483	190.386	191.944	193.415
% Ch	12.1	-4.7	0.2	2.6	1.9	6.3	3.3	3.1
Personal Income	187.684	185.385	185.962	186.696	187.725	190.724	192.347	193.857
% Ch	11.7	-4.8	1.3	1.6	2.2	6.5	3.4	3.2
Disposable Personal Income	158.989	156.657	156.826	156.958	157.612	160.162	166.090	165.219
% Ch	10.3	-5.7	0.4	0.3	1.7	6.6	15.6	-2.1
Per Capita Income (\$/Person)	31,843	31,374	31,394	31,440	31,536	31,958	32,140	32,296
% Ch	10.8	-5.8	0.3	0.6	1.2	5.5	2.3	1.9
Employment (Thousands)								
Washington Civilian Labor Force	3,042.3	3,031.7	3,034.8	3,074.4	3,098.8	3,102.8	3,113.5	3,123.5
Total Washington Employment	2,885.8	2,873.0	2,874.5	2,918.4	2,931.1	2,923.2	2,931.4	2,937.2
Unemployment Rate (%)	5.14	5.23	5.28	5.07	5.41	5.79	5.85	5.96
Wage and Salary Employment	2,695.7	2,714.7	2,720.2	2,724.6	2,735.2	2,736.0	2,744.5	2,750.7
% Ch	3.6	2.8	0.8	0.6	1.6	0.1	1.2	0.9
Manufacturing	351.3	354.2	350.7	347.7	345.9	341.2	340.3	339.5
% Ch	-7.8	3.4	-3.9	-3.4	-2.1	-5.3	-1.1	-0.9
Durable Manufacturing	242.5	245.4	243.1	241.5	240.2	236.1	235.1	234.2
% Ch	-10.9	5.0	-3.8	-2.5	-2.2	-6.5	-1.8	-1.5
Aerospace	84.0	87.6	86.9	86.3	86.6	86.7	86.3	86.7
% Ch	-30.9	18.4	-3.3	-2.8	1.6	0.3	-1.7	2.0
Nondurable Manufacturing	108.8	108.8	107.6	106.2	105.7	105.0	105.2	105.3
% Ch	-0.3	-0.1	-4.1	-5.3	-1.8	-2.6	0.5	0.5
Nonmanufacturing	2,344.4	2,360.5	2,369.5	2,376.8	2,389.3	2,394.9	2,404.2	2,411.2
% Ch	5.4	2.8	1.5	1.3	2.1	0.9	1.6	1.2
Construction	161.3	161.3	160.3	161.3	164.1	163.3	164.0	163.0
% Ch	10.6	-0.1	-2.4	2.6	6.9	-1.8	1.6	-2.4
Services	768.7	775.1	784.8	791.7	794.4	797.8	803.7	809.0
% Ch	8.3	3.4	5.1	3.6	1.4	1.7	3.0	2.7
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	39.313	36.767	38.430	41.573	43.390	38.978	33.818	36.105
% Ch	-15.0	-23.5	19.4	36.9	18.7	-34.9	-43.3	29.9
Single-Family	25.648	24.843	25.479	25.914	30.586	27.117	24.749	25.570
% Ch	-20.7	-12.0	10.6	7.0	94.1	-38.2	-30.6	13.9
Multi-Family	13.665	11.924	12.951	15.659	12.804	11.860	9.069	10.535
% Ch	-2.8	-42.0	39.1	113.7	-55.3	-26.4	-65.8	82.1
Mortgage Rate (%)	8.26	8.32	8.03	7.64	7.01	6.99	6.90	6.89

Table A1.4
Washington Economic Forecast Summary
 Forecast 2001 to 2003

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Real Income (Billions of Chained 1996 Dollars)								
Real Personal Income	176.957	178.308	179.888	181.509	183.533	185.509	187.154	188.720
% Ch	3.3	3.1	3.6	3.7	4.5	4.4	3.6	3.4
Real Wage and Salary Disb.	104.264	104.960	105.864	106.754	107.716	108.719	109.673	110.626
% Ch	2.8	2.7	3.5	3.4	3.7	3.8	3.6	3.5
Real Nonwage Income	72.693	73.348	74.023	74.755	75.816	76.790	77.481	78.093
% Ch	4.1	3.6	3.7	4.0	5.8	5.2	3.6	3.2
Real Per Capita Income (\$/Person)	29,388	29,516	29,680	29,845	30,073	30,288	30,447	30,590
% Ch	2.0	1.8	2.2	2.3	3.1	2.9	2.1	1.9
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.110	1.117	1.123	1.130	1.137	1.144	1.152	1.159
% Ch	2.1	2.3	2.4	2.5	2.5	2.4	2.6	2.6
Seattle Cons. Price Index (1982-84=1.0)	1.883	1.893	1.895	1.906	1.918	1.929	1.941	1.953
% Ch	2.2	2.1	0.5	2.3	2.4	2.3	2.5	2.5
Avg. Hourly Earnings-Mfg. (\$/Hour)	17.80	17.87	17.96	18.04	18.14	18.23	18.33	18.42
% Ch	1.6	1.6	2.1	1.8	2.1	2.0	2.2	2.0
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	196.011	198.609	201.559	204.623	208.192	211.681	214.923	218.116
% Ch	5.5	5.4	6.1	6.2	7.2	6.9	6.3	6.1
Personal Income	196.486	199.109	202.088	205.169	208.755	212.261	215.518	218.723
% Ch	5.5	5.4	6.1	6.2	7.2	6.9	6.3	6.1
Disposable Personal Income	167.529	169.895	173.002	176.031	179.616	182.512	185.073	187.529
% Ch	5.7	5.8	7.5	7.2	8.4	6.6	5.7	5.4
Per Capita Income (\$/Person)	32,631	32,960	33,342	33,735	34,205	34,656	35,062	35,453
% Ch	4.2	4.1	4.7	4.8	5.7	5.4	4.8	4.5
Employment (Thousands)								
Washington Civilian Labor Force	3,135.5	3,148.5	3,163.5	3,178.1	3,193.6	3,209.1	3,223.4	3,238.1
Total Washington Employment	2,946.3	2,957.2	2,971.6	2,984.9	2,999.3	3,014.0	3,026.1	3,038.6
Unemployment Rate (%)	6.03	6.07	6.07	6.08	6.08	6.08	6.12	6.16
Wage and Salary Employment	2,760.0	2,771.0	2,785.3	2,798.5	2,812.8	2,827.4	2,839.5	2,852.0
% Ch	1.4	1.6	2.1	1.9	2.1	2.1	1.7	1.8
Manufacturing	340.1	341.4	343.3	345.4	347.7	349.9	352.0	353.7
% Ch	0.7	1.6	2.3	2.4	2.7	2.6	2.3	2.0
Durable Manufacturing	234.7	235.9	237.5	239.3	241.2	243.0	244.8	246.4
% Ch	0.9	2.0	2.8	3.0	3.3	3.1	2.9	2.7
Aerospace	87.3	87.9	88.6	89.2	89.9	90.6	91.2	91.9
% Ch	2.7	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Nondurable Manufacturing	105.4	105.5	105.8	106.2	106.5	106.9	107.2	107.4
% Ch	0.3	0.6	1.2	1.2	1.4	1.4	1.1	0.7
Nonmanufacturing	2,420.0	2,429.6	2,441.9	2,453.1	2,465.1	2,477.5	2,487.5	2,498.3
% Ch	1.5	1.6	2.0	1.9	2.0	2.0	1.6	1.7
Construction	161.6	161.7	162.7	163.7	164.1	164.6	164.9	165.3
% Ch	-3.4	0.2	2.5	2.5	1.1	1.1	0.8	1.0
Services	814.8	820.8	828.5	834.9	842.1	848.7	854.8	860.7
% Ch	2.9	3.0	3.8	3.1	3.5	3.2	2.9	2.8
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	40.396	39.865	41.029	40.814	41.308	41.853	42.192	42.762
% Ch	56.7	-5.2	12.2	-2.1	4.9	5.4	3.3	5.5
Single-Family	27.202	26.630	26.548	25.846	25.745	25.975	26.311	26.793
% Ch	28.1	-8.2	-1.2	-10.2	-1.6	3.6	5.3	7.5
Multi-Family	13.194	13.234	14.481	14.967	15.563	15.878	15.881	15.969
% Ch	146.0	1.2	43.3	14.1	16.9	8.3	0.1	2.2
Mortgage Rate (%)	6.80	6.97	7.21	7.54	7.67	7.76	7.75	7.70

Table A2.1

U.S. Nonagricultural Employment by Industry

Forecast 2001 to 2003

	1996	1997	1998	1999	2000	2001	2002	2003
Wage and Salary Employment	119.60	122.68	125.85	128.77	131.41	132.38	133.59	135.44
% Ch	2.1	2.6	2.6	2.3	2.0	0.7	0.9	1.4
Manufacturing	18.50	18.68	18.81	18.54	18.44	17.83	17.52	17.68
% Ch	-0.2	1.0	0.7	-1.4	-0.5	-3.3	-1.7	0.9
Nondurable Manufacturing	7.71	7.67	7.60	7.44	7.35	7.16	7.12	7.12
% Ch	-1.7	-0.5	-0.8	-2.1	-1.1	-2.6	-0.6	-0.0
Food and Kindred Products	1.69	1.68	1.68	1.68	1.67	1.67	1.66	1.65
% Ch	-0.0	-0.4	-0.1	-0.4	-0.3	-0.4	-0.5	-0.5
Pulp and Paper	0.68	0.68	0.68	0.67	0.66	0.64	0.63	0.64
% Ch	-1.4	-0.1	-0.8	-1.4	-1.1	-3.2	-1.2	0.5
Apparel	0.87	0.82	0.77	0.69	0.65	0.60	0.59	0.56
% Ch	-7.3	-5.0	-7.0	-9.6	-6.1	-7.2	-2.2	-5.0
Printing	1.54	1.55	1.56	1.55	1.56	1.54	1.52	1.52
% Ch	-0.3	0.8	0.8	-0.8	0.2	-1.1	-1.5	0.3
Chemicals	1.03	1.04	1.04	1.03	1.03	1.01	0.99	1.00
% Ch	-0.4	0.2	0.7	-0.9	-0.7	-1.9	-1.3	0.4
Other Nondurables	1.89	1.88	1.87	1.82	1.79	1.71	1.73	1.76
% Ch	-2.5	-0.2	-1.0	-2.7	-1.5	-4.5	1.2	1.5
Durable Manufacturing	10.79	11.01	11.21	11.10	11.09	10.66	10.40	10.56
% Ch	1.0	2.0	1.8	-0.9	-0.1	-3.8	-2.5	1.5
Lumber and Wood	0.78	0.80	0.81	0.83	0.82	0.79	0.79	0.83
% Ch	1.2	2.2	2.2	1.9	-0.9	-4.4	0.9	4.2
Furniture	0.50	0.51	0.53	0.55	0.56	0.53	0.52	0.52
% Ch	-1.0	1.6	4.0	2.9	1.4	-3.9	-2.1	-0.4
Stone-Clay-Glass	0.54	0.55	0.56	0.56	0.57	0.56	0.54	0.53
% Ch	0.8	1.6	1.7	0.3	0.5	-2.0	-2.5	-1.3
Primary Metals	0.71	0.71	0.71	0.70	0.70	0.66	0.64	0.65
% Ch	-0.2	0.0	0.6	-2.1	-0.7	-5.3	-2.4	1.6
Fabricated Metals	1.45	1.48	1.51	1.52	1.53	1.48	1.44	1.45
% Ch	0.8	2.1	2.1	0.5	1.0	-3.6	-2.6	0.5
Nonelectrical Machinery	2.11	2.17	2.21	2.14	2.13	2.04	1.90	1.97
% Ch	2.3	2.5	1.8	-3.0	-0.6	-4.0	-6.9	3.7
Electrical Machinery	1.66	1.69	1.71	1.67	1.70	1.63	1.61	1.64
% Ch	2.2	1.7	1.1	-2.2	2.1	-4.4	-1.0	1.5
Transportation Equipment	1.78	1.85	1.89	1.88	1.84	1.76	1.79	1.79
% Ch	-0.3	3.4	2.6	-0.4	-2.2	-4.3	1.3	0.1
Instruments	0.86	0.87	0.87	0.86	0.85	0.83	0.78	0.81
% Ch	1.4	1.2	0.8	-1.9	-1.1	-1.4	-6.3	3.2
Other Durables	0.39	0.39	0.39	0.39	0.40	0.38	0.37	0.37
% Ch	-0.5	1.0	0.7	0.0	0.2	-3.2	-2.1	-0.7
Nonmanufacturing	101.10	104.00	107.04	110.23	112.97	114.55	116.07	117.76
% Ch	2.5	2.9	2.9	3.0	2.5	1.4	1.3	1.5
Mining	0.58	0.60	0.59	0.54	0.54	0.56	0.52	0.50
% Ch	-0.1	2.9	-1.1	-9.2	0.5	3.6	-6.2	-4.6
Construction	5.42	5.69	6.02	6.40	6.69	6.85	6.86	6.87
% Ch	4.8	5.0	5.7	6.4	4.5	2.4	0.1	0.2
Trans., Comm. and Utilities	6.25	6.41	6.61	6.82	6.99	7.12	7.20	7.32
% Ch	2.0	2.5	3.2	3.2	2.5	1.8	1.1	1.7
Wholesale Trade	6.48	6.65	6.80	6.92	7.05	7.11	7.20	7.30
% Ch	1.6	2.6	2.3	1.8	1.9	0.8	1.2	1.4
Retail Trade	21.60	21.97	22.29	22.79	23.13	23.35	23.49	23.59
% Ch	1.9	1.7	1.5	2.2	1.5	1.0	0.6	0.4
Finance-Insurance-Real Estate	6.91	7.11	7.39	7.57	7.62	7.76	7.78	7.89
% Ch	1.5	2.8	3.9	2.5	0.6	1.9	0.3	1.3
Services	34.46	36.04	37.53	39.02	40.38	41.14	42.17	43.30
% Ch	4.0	4.6	4.1	4.0	3.5	1.9	2.5	2.7
State and Local Government	16.65	16.85	17.13	17.49	17.78	18.04	18.23	18.38
% Ch	1.1	1.2	1.6	2.1	1.7	1.4	1.1	0.8
Federal Government	2.76	2.70	2.69	2.67	2.78	2.62	2.63	2.62
% Ch	-2.3	-2.1	-0.5	-0.6	4.0	-5.6	0.3	-0.3

Table A2.2

U.S. Nonagricultural Employment by Industry

Forecast 2001 to 2003

	1998:1	1998:2	1998:3	1998:4	1999:1	1999:2	1999:3	1999:4
Wage and Salary Employment	124.75	125.49	126.18	126.97	127.80	128.43	129.07	129.78
% Ch	2.6	2.4	2.2	2.5	2.6	2.0	2.0	2.2
Manufacturing	18.87	18.87	18.77	18.72	18.63	18.54	18.52	18.48
% Ch	1.5	-0.0	-2.2	-1.0	-1.8	-1.9	-0.6	-0.7
Nondurable Manufacturing	7.65	7.63	7.59	7.54	7.50	7.45	7.41	7.40
% Ch	-0.5	-1.1	-2.1	-2.3	-2.1	-2.8	-2.0	-0.8
Food and Kindred Products	1.68	1.68	1.68	1.68	1.69	1.68	1.67	1.67
% Ch	-0.2	0.5	-0.6	0.0	0.9	-2.2	-1.3	0.6
Pulp and Paper	0.68	0.68	0.68	0.67	0.67	0.67	0.67	0.67
% Ch	-0.4	-1.4	-1.8	-1.8	-1.0	-1.4	-1.2	-1.2
Apparel	0.79	0.78	0.76	0.74	0.72	0.70	0.68	0.67
% Ch	-6.9	-8.8	-7.5	-12.0	-10.4	-9.2	-9.2	-6.1
Printing	1.56	1.57	1.57	1.56	1.56	1.55	1.55	1.55
% Ch	1.3	0.8	-0.2	-0.8	-1.2	-1.5	-0.1	-0.6
Chemicals	1.04	1.04	1.04	1.04	1.04	1.03	1.03	1.03
% Ch	0.5	1.0	0.3	-0.8	-1.4	-1.4	-1.5	0.0
Other Nondurables	1.89	1.88	1.86	1.85	1.83	1.82	1.81	1.81
% Ch	-0.1	-1.6	-4.2	-2.6	-2.9	-3.0	-2.0	-0.6
Durable Manufacturing	11.23	11.24	11.18	11.17	11.13	11.09	11.10	11.08
% Ch	2.9	0.7	-2.3	-0.2	-1.6	-1.3	0.4	-0.7
Lumber and Wood	0.81	0.81	0.81	0.82	0.83	0.83	0.83	0.83
% Ch	2.3	2.5	1.7	2.6	3.3	0.0	1.1	0.8
Furniture	0.53	0.53	0.54	0.54	0.54	0.55	0.55	0.55
% Ch	6.1	5.2	2.0	2.3	3.5	2.2	4.7	0.5
Stone-Clay-Glass	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56
% Ch	4.4	-0.2	1.2	1.7	0.0	-0.9	0.0	0.5
Primary Metals	0.72	0.72	0.71	0.71	0.70	0.70	0.70	0.70
% Ch	2.1	-0.6	-2.4	-3.5	-2.2	-2.4	-0.2	-0.8
Fabricated Metals	1.51	1.51	1.51	1.51	1.52	1.52	1.52	1.52
% Ch	2.8	1.0	-1.1	1.6	1.1	-0.4	0.4	0.9
Nonelectrical Machinery	2.22	2.22	2.21	2.18	2.15	2.14	2.14	2.13
% Ch	3.1	0.4	-2.1	-4.2	-5.4	-2.2	-0.9	-1.1
Electrical Machinery	1.73	1.72	1.70	1.68	1.67	1.67	1.67	1.67
% Ch	2.9	-1.1	-4.0	-4.7	-3.1	-0.6	1.1	0.1
Transportation Equipment	1.89	1.90	1.87	1.91	1.90	1.88	1.89	1.87
% Ch	2.7	1.4	-6.6	8.8	-2.2	-3.0	0.5	-3.3
Instruments	0.88	0.88	0.87	0.87	0.86	0.86	0.85	0.85
% Ch	1.1	0.6	-1.5	-3.2	-1.4	-2.6	-1.2	-2.6
Other Durables	0.40	0.40	0.40	0.39	0.39	0.39	0.40	0.40
% Ch	3.1	-0.3	0.0	-4.3	0.3	2.4	1.4	2.7
Nonmanufacturing	105.88	106.61	107.42	108.25	109.17	109.89	110.56	111.30
% Ch	2.8	2.8	3.0	3.1	3.4	2.7	2.5	2.7
Mining	0.60	0.60	0.59	0.57	0.55	0.53	0.53	0.53
% Ch	1.8	-4.1	-7.4	-8.2	-13.9	-13.1	-4.7	1.3
Construction	5.87	5.96	6.06	6.18	6.30	6.38	6.42	6.51
% Ch	6.5	6.2	6.8	8.3	8.3	4.8	2.4	6.2
Trans., Comm. and Utilities	6.53	6.58	6.64	6.70	6.75	6.80	6.85	6.89
% Ch	2.7	3.4	3.6	3.6	3.4	2.7	3.0	2.7
Wholesale Trade	6.76	6.79	6.81	6.83	6.86	6.90	6.95	6.99
% Ch	2.9	1.8	0.9	1.5	1.8	2.0	2.7	2.5
Retail Trade	22.15	22.22	22.35	22.46	22.64	22.77	22.84	22.90
% Ch	0.7	1.4	2.3	2.1	3.2	2.3	1.2	1.0
Finance-Insurance-Real Estate	7.29	7.36	7.42	7.48	7.53	7.56	7.59	7.61
% Ch	4.3	4.4	3.3	3.0	2.5	1.8	1.5	1.0
Services	37.00	37.34	37.69	38.07	38.47	38.84	39.19	39.60
% Ch	4.2	3.7	3.8	4.1	4.2	3.9	3.7	4.2
State and Local Government	17.00	17.09	17.17	17.24	17.35	17.44	17.54	17.63
% Ch	1.3	1.9	2.1	1.6	2.7	2.0	2.4	2.0
Federal Government	2.67	2.67	2.69	2.71	2.71	2.67	2.66	2.65
% Ch	-1.5	-0.1	1.9	3.8	-0.9	-5.1	-2.2	-1.3

Table A2.2

U.S. Nonagricultural Employment by Industry

Forecast 2001 to 2003

	2000:1	2000:2	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4
Wage and Salary Employment	130.63	131.55	131.62	131.84	132.23	132.21	132.40	132.66
% Ch	2.6	2.9	0.2	0.7	1.2	-0.1	0.6	0.8
Manufacturing	18.48	18.49	18.45	18.35	18.13	17.87	17.72	17.59
% Ch	-0.0	0.1	-0.7	-2.2	-4.7	-5.5	-3.4	-3.0
Nondurable Manufacturing	7.39	7.38	7.35	7.30	7.23	7.16	7.14	7.13
% Ch	-0.5	-0.5	-1.3	-2.8	-3.8	-3.9	-1.1	-0.5
Food and Kindred Products	1.67	1.68	1.67	1.67	1.67	1.67	1.66	1.66
% Ch	0.2	0.6	-1.7	-0.4	0.3	-0.1	-1.5	0.0
Pulp and Paper	0.66	0.66	0.66	0.66	0.65	0.64	0.64	0.63
% Ch	-1.2	-0.6	-0.8	-1.8	-4.4	-6.6	-2.1	-1.0
Apparel	0.67	0.66	0.65	0.63	0.62	0.60	0.60	0.60
% Ch	-3.7	-3.8	-7.5	-10.1	-7.4	-12.3	2.3	-1.7
Printing	1.55	1.55	1.56	1.56	1.55	1.54	1.53	1.53
% Ch	0.2	1.2	1.5	-0.9	-1.8	-2.6	-1.3	-1.2
Chemicals	1.03	1.03	1.02	1.02	1.02	1.01	1.00	1.00
% Ch	0.0	-0.9	-1.5	-0.6	-1.8	-4.4	-1.2	-1.3
Other Nondurables	1.80	1.80	1.79	1.77	1.72	1.71	1.70	1.70
% Ch	-0.6	-1.6	-1.2	-5.5	-8.9	-4.4	-1.2	0.7
Durable Manufacturing	11.09	11.11	11.10	11.05	10.90	10.72	10.58	10.46
% Ch	0.3	0.6	-0.4	-1.8	-5.4	-6.5	-4.8	-4.7
Lumber and Wood	0.83	0.83	0.82	0.81	0.79	0.78	0.78	0.78
% Ch	-0.2	-1.1	-4.1	-6.0	-7.1	-5.0	1.3	-0.9
Furniture	0.55	0.56	0.56	0.55	0.54	0.54	0.53	0.53
% Ch	0.7	2.9	0.5	-3.3	-7.9	-5.0	-2.9	-3.2
Stone-Clay-Glass	0.57	0.57	0.57	0.56	0.56	0.56	0.55	0.55
% Ch	2.9	-0.5	0.2	-3.2	0.2	-3.6	-4.8	-1.9
Primary Metals	0.70	0.70	0.69	0.69	0.67	0.66	0.65	0.65
% Ch	1.2	-0.4	-2.5	-3.8	-9.5	-5.6	-4.4	-3.9
Fabricated Metals	1.53	1.54	1.54	1.53	1.50	1.48	1.47	1.45
% Ch	1.4	2.9	0.3	-1.2	-7.1	-5.7	-3.6	-4.7
Nonelectrical Machinery	2.13	2.13	2.13	2.13	2.10	2.06	2.03	1.98
% Ch	-0.5	-0.3	0.6	-1.0	-4.0	-8.7	-5.4	-8.9
Electrical Machinery	1.68	1.69	1.72	1.72	1.72	1.65	1.59	1.57
% Ch	2.4	2.9	5.6	1.6	-1.8	-15.4	-12.6	-6.4
Transportation Equipment	1.86	1.86	1.83	1.81	1.76	1.76	1.76	1.77
% Ch	-1.3	-0.4	-6.4	-3.9	-10.6	0.0	0.2	0.5
Instruments	0.84	0.84	0.85	0.85	0.85	0.85	0.83	0.81
% Ch	-2.0	-0.3	1.9	0.5	1.9	-2.0	-9.4	-9.6
Other Durables	0.40	0.39	0.40	0.39	0.39	0.38	0.38	0.38
% Ch	0.0	-3.3	1.0	-1.7	-5.3	-6.3	-1.2	-1.9
Nonmanufacturing	112.14	113.06	113.17	113.49	114.10	114.33	114.68	115.08
% Ch	3.1	3.3	0.4	1.1	2.2	0.8	1.2	1.4
Mining	0.53	0.54	0.54	0.54	0.55	0.56	0.56	0.55
% Ch	3.3	4.6	-0.7	2.2	6.6	9.3	0.5	-6.8
Construction	6.67	6.68	6.69	6.73	6.88	6.86	6.83	6.82
% Ch	9.7	0.6	0.7	2.6	9.3	-1.1	-2.3	-0.3
Trans., Comm. and Utilities	6.94	6.97	7.00	7.06	7.10	7.09	7.13	7.15
% Ch	2.6	2.0	1.4	3.9	2.0	-0.3	2.2	0.8
Wholesale Trade	7.02	7.05	7.06	7.09	7.07	7.11	7.13	7.14
% Ch	1.6	2.0	0.6	1.6	-1.0	2.3	1.0	0.8
Retail Trade	22.99	23.13	23.19	23.23	23.31	23.38	23.34	23.39
% Ch	1.7	2.4	1.1	0.6	1.4	1.2	-0.6	0.9
Finance-Insurance-Real Estate	7.62	7.60	7.61	7.65	7.69	7.78	7.80	7.78
% Ch	0.7	-1.0	0.3	2.3	2.2	4.5	1.2	-1.1
Services	39.95	40.27	40.55	40.75	40.94	40.92	41.21	41.50
% Ch	3.6	3.3	2.8	2.0	1.9	-0.2	2.9	2.9
State and Local Government	17.70	17.76	17.83	17.83	17.95	18.02	18.07	18.12
% Ch	1.7	1.2	1.8	-0.0	2.6	1.6	1.2	1.1
Federal Government	2.73	3.07	2.70	2.60	2.62	2.62	2.62	2.62
% Ch	12.7	61.1	-40.2	-13.9	2.1	0.3	-0.2	1.2

Table A2.2

U.S. Nonagricultural Employment by Industry

Forecast 2001 to 2003

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Wage and Salary Employment	133.00	133.38	133.79	134.20	134.76	135.28	135.66	136.03
% Ch	1.0	1.2	1.2	1.2	1.7	1.6	1.1	1.1
Manufacturing	17.49	17.48	17.52	17.57	17.62	17.67	17.71	17.70
% Ch	-2.2	-0.2	1.0	1.1	1.0	1.2	0.9	-0.1
Nondurable Manufacturing	7.12	7.12	7.12	7.13	7.13	7.13	7.12	7.10
% Ch	-0.8	-0.0	0.5	0.4	0.2	-0.1	-0.7	-1.3
Food and Kindred Products	1.66	1.66	1.66	1.66	1.65	1.65	1.65	1.65
% Ch	-0.4	-1.1	-0.0	-0.0	-0.9	-0.6	-0.3	-1.0
Pulp and Paper	0.63	0.63	0.63	0.63	0.64	0.64	0.64	0.64
% Ch	-1.5	-0.5	0.5	1.3	0.7	0.4	0.3	-0.5
Apparel	0.60	0.59	0.59	0.58	0.58	0.57	0.56	0.54
% Ch	-2.0	-0.4	-3.0	-5.9	-3.8	-5.8	-7.9	-8.1
Printing	1.52	1.52	1.51	1.51	1.52	1.52	1.52	1.52
% Ch	-2.0	-1.8	-0.8	0.4	0.6	0.8	0.8	0.2
Chemicals	0.99	0.99	0.99	1.00	1.00	1.00	1.00	1.00
% Ch	-2.4	-0.9	0.9	1.2	0.5	0.4	-0.2	-1.1
Other Nondurables	1.71	1.72	1.74	1.75	1.75	1.76	1.76	1.75
% Ch	1.4	3.4	3.2	2.0	1.8	1.0	-0.5	-1.2
Durable Manufacturing	10.38	10.37	10.40	10.44	10.49	10.54	10.59	10.61
% Ch	-3.1	-0.3	1.3	1.6	1.6	2.1	1.9	0.7
Lumber and Wood	0.78	0.78	0.80	0.81	0.82	0.82	0.83	0.84
% Ch	0.2	0.6	5.7	5.4	4.5	4.0	3.4	2.7
Furniture	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52
% Ch	-1.7	-0.9	-0.9	-1.1	-1.0	1.0	0.5	-0.9
Stone-Clay-Glass	0.55	0.54	0.54	0.54	0.54	0.53	0.53	0.53
% Ch	-1.0	-3.9	-2.0	-0.7	-1.2	-1.1	-0.8	-1.3
Primary Metals	0.64	0.64	0.64	0.65	0.65	0.65	0.65	0.65
% Ch	-4.5	-0.4	2.4	3.4	1.4	1.2	0.8	-0.7
Fabricated Metals	1.44	1.43	1.44	1.44	1.44	1.44	1.45	1.45
% Ch	-3.7	-1.0	1.1	1.4	-0.1	0.1	1.0	0.4
Nonelectrical Machinery	1.93	1.89	1.89	1.89	1.92	1.95	1.99	2.02
% Ch	-9.2	-7.8	-2.1	0.6	6.2	7.9	7.8	6.3
Electrical Machinery	1.58	1.61	1.63	1.64	1.64	1.63	1.64	1.64
% Ch	3.0	8.1	5.8	2.0	-0.2	-0.9	0.7	0.8
Transportation Equipment	1.77	1.79	1.79	1.80	1.79	1.80	1.79	1.77
% Ch	0.5	4.2	1.6	1.0	-1.1	0.9	-1.3	-4.3
Instruments	0.79	0.78	0.78	0.79	0.80	0.81	0.81	0.81
% Ch	-10.7	-2.9	-0.6	4.1	6.9	3.4	2.7	1.2
Other Durables	0.38	0.37	0.37	0.37	0.37	0.37	0.37	0.37
% Ch	-2.7	-2.6	-0.6	0.5	-1.5	-0.5	-0.0	-0.9
Nonmanufacturing	115.51	115.90	116.26	116.63	117.14	117.61	117.95	118.33
% Ch	1.5	1.4	1.3	1.3	1.8	1.6	1.2	1.3
Mining	0.54	0.52	0.52	0.51	0.51	0.50	0.49	0.49
% Ch	-12.2	-8.7	-4.7	-3.0	-4.0	-5.0	-4.9	-5.1
Construction	6.84	6.86	6.87	6.86	6.87	6.87	6.87	6.88
% Ch	1.2	1.1	0.7	-0.7	0.9	-0.3	0.0	0.9
Trans., Comm. and Utilities	7.16	7.18	7.21	7.24	7.27	7.30	7.34	7.37
% Ch	0.8	0.8	1.8	1.8	1.9	1.6	2.0	2.0
Wholesale Trade	7.16	7.18	7.21	7.23	7.26	7.29	7.31	7.32
% Ch	1.0	1.1	1.6	1.2	1.8	1.4	1.0	0.8
Retail Trade	23.49	23.52	23.49	23.49	23.52	23.60	23.60	23.63
% Ch	1.7	0.4	-0.5	0.0	0.6	1.3	-0.0	0.4
Finance-Insurance-Real Estate	7.77	7.78	7.78	7.81	7.84	7.88	7.90	7.92
% Ch	-0.6	0.6	0.3	1.1	2.0	1.8	1.1	1.2
Services	41.76	42.02	42.31	42.58	42.91	43.19	43.43	43.66
% Ch	2.5	2.5	2.8	2.6	3.1	2.7	2.2	2.1
State and Local Government	18.17	18.21	18.26	18.29	18.33	18.36	18.40	18.43
% Ch	1.1	1.1	1.0	0.8	0.8	0.7	0.7	0.8
Federal Government	2.63	2.63	2.62	2.62	2.62	2.62	2.62	2.62
% Ch	0.8	-0.4	-0.4	-0.3	-0.2	-0.2	-0.2	-0.2

Table A2.3
Washington Nonagricultural Employment by Industry
 Forecast 2001 to 2003

	1996	1997	1998	1999	2000	2001	2002	2003
Wage and Salary Employment	2,415.6	2,514.2	2,594.7	2,648.7	2,713.8	2,741.6	2,778.7	2,832.9
% Ch	2.9	4.1	3.2	2.1	2.5	1.0	1.4	2.0
Manufacturing	344.8	370.0	379.6	364.1	351.0	341.7	342.6	350.8
% Ch	3.7	7.3	2.6	-4.1	-3.6	-2.6	0.2	2.4
Nondurable Manufacturing	109.7	108.8	108.6	108.3	107.9	105.3	105.7	107.0
% Ch	1.1	-0.9	-0.2	-0.2	-0.4	-2.4	0.4	1.2
Food and Kindred Products	42.4	41.3	40.7	41.1	41.5	40.2	40.5	41.1
% Ch	0.8	-2.5	-1.4	0.9	0.9	-3.0	0.6	1.5
Pulp and Paper	16.8	16.3	16.2	15.9	15.6	15.0	15.1	15.2
% Ch	-2.5	-3.1	-0.7	-2.0	-1.7	-3.6	0.6	0.4
Apparel	9.6	10.1	9.6	8.7	8.1	7.6	7.6	7.4
% Ch	4.3	5.9	-5.5	-8.9	-6.9	-6.0	-0.5	-2.8
Printing	24.4	24.2	24.4	24.2	24.3	24.5	24.2	24.3
% Ch	1.4	-1.0	0.9	-0.9	0.7	0.6	-1.4	0.5
Chemicals	5.6	5.7	6.0	6.2	6.2	6.1	6.2	6.5
% Ch	1.3	0.9	6.1	3.0	-0.5	-1.6	2.9	4.1
Other Nondurables	10.9	11.2	11.7	12.3	12.2	11.9	12.2	12.6
% Ch	5.0	2.3	4.5	4.8	-0.8	-2.6	2.6	3.5
Durable Manufacturing	235.0	261.3	271.0	255.8	243.1	236.4	236.8	243.9
% Ch	5.0	11.2	3.7	-5.6	-5.0	-2.8	0.2	3.0
Lumber and Wood	35.2	35.6	34.2	33.9	33.0	31.0	31.0	31.9
% Ch	-0.7	1.2	-4.1	-0.7	-2.7	-6.2	0.3	2.7
Furniture	4.0	4.1	4.7	4.7	4.9	4.8	4.7	4.8
% Ch	6.5	3.1	14.5	1.4	2.3	-1.8	-0.3	2.0
Stone-Clay-Glass	9.0	9.5	9.1	8.9	9.2	9.1	9.0	9.0
% Ch	1.9	5.8	-4.0	-2.7	2.9	-0.5	-1.2	0.3
Primary Metals	11.5	11.6	12.0	11.7	11.0	9.2	8.2	8.3
% Ch	2.4	1.2	3.0	-2.4	-5.8	-16.3	-11.6	1.8
Fabricated Metals	13.3	14.3	14.8	14.6	15.0	14.9	14.8	15.0
% Ch	1.7	7.4	3.7	-1.2	2.4	-0.8	-0.7	1.7
Nonelectrical Machinery	24.4	26.6	26.1	25.1	25.3	24.4	24.2	25.4
% Ch	11.6	8.9	-1.8	-3.8	0.8	-3.4	-0.9	4.9
Electrical Machinery	15.3	17.0	18.5	18.5	20.0	19.6	19.9	20.5
% Ch	9.4	11.0	8.8	-0.3	8.5	-2.3	1.5	3.3
Aerospace	86.3	105.0	112.4	98.9	86.2	86.6	88.3	90.9
% Ch	7.7	21.6	7.1	-12.0	-12.8	0.4	2.0	3.0
Other Trans. Equip.	14.1	14.5	15.6	15.9	15.1	13.7	13.7	13.8
% Ch	-4.5	2.9	7.6	1.7	-4.8	-9.5	-0.3	0.7
Instruments	13.7	14.5	14.9	14.8	14.7	14.7	14.3	15.1
% Ch	6.6	5.9	2.7	-0.7	-0.8	-0.1	-2.2	5.6
Other Durables	8.3	8.5	8.7	8.8	8.8	8.5	8.8	9.0
% Ch	4.9	3.3	1.6	1.2	-0.1	-2.7	2.8	3.2
Nonmanufacturing	2,070.8	2,144.2	2,215.1	2,284.6	2,362.8	2,399.9	2,436.2	2,482.1
% Ch	2.8	3.5	3.3	3.1	3.4	1.6	1.5	1.9
Mining	3.4	3.5	3.3	3.1	3.6	3.6	3.6	3.6
% Ch	1.2	2.7	-6.1	-4.2	13.4	0.2	0.0	1.0
Construction	127.8	136.3	143.7	153.8	161.1	163.6	162.4	164.7
% Ch	4.8	6.6	5.4	7.1	4.7	1.6	-0.7	1.4
Trans., Comm. and Utilities	124.9	132.8	135.6	139.7	146.4	150.0	151.9	154.6
% Ch	4.4	6.3	2.1	3.0	4.8	2.5	1.2	1.8
Wholesale Trade	144.4	149.6	153.1	154.1	156.0	157.0	157.3	158.6
% Ch	1.3	3.6	2.3	0.7	1.2	0.6	0.1	0.9
Retail Trade	446.5	457.4	469.6	482.0	495.1	495.9	499.7	504.5
% Ch	2.1	2.4	2.7	2.6	2.7	0.2	0.8	0.9
Finance-Insurance-Real Estate	123.9	127.7	134.6	137.6	137.5	139.4	142.1	145.6
% Ch	2.0	3.0	5.4	2.2	-0.0	1.4	2.0	2.5
Services	649.1	678.8	709.3	739.7	780.1	801.2	824.8	851.6
% Ch	4.1	4.6	4.5	4.3	5.5	2.7	2.9	3.3
State and Local Government	382.1	390.2	398.8	406.9	413.2	421.0	426.1	430.5
% Ch	2.0	2.1	2.2	2.0	1.6	1.9	1.2	1.0
Federal Government	68.6	67.9	67.2	67.6	69.9	68.1	68.4	68.5
% Ch	-2.1	-1.1	-0.9	0.5	3.3	-2.5	0.4	0.1

Table A2.4
Washington Nonagricultural Employment by Industry
 Forecast 2001 to 2003

	1998:1	1998:2	1998:3	1998:4	1999:1	1999:2	1999:3	1999:4
Wage and Salary Employment	2,570.8	2,586.7	2,604.5	2,616.6	2,630.7	2,633.6	2,658.4	2,672.1
% Ch	3.5	2.5	2.8	1.9	2.2	0.5	3.8	2.1
Manufacturing	381.4	381.5	380.2	375.1	370.6	366.1	361.4	358.5
% Ch	4.4	0.0	-1.3	-5.3	-4.8	-4.8	-5.0	-3.2
Nondurable Manufacturing	108.9	108.3	108.9	108.3	107.8	108.1	108.4	108.9
% Ch	1.5	-2.1	2.1	-2.1	-1.7	1.1	1.0	1.9
Food and Kindred Products	40.6	40.3	40.9	41.0	40.9	41.0	41.2	41.4
% Ch	-4.3	-3.3	6.8	0.9	-1.5	1.1	2.1	1.5
Pulp and Paper	16.4	16.2	16.1	16.0	15.8	15.9	15.9	15.9
% Ch	4.6	2.8	1.4	-4.2	-2.4	0.1	-0.3	3.3
Apparel	10.1	9.8	9.5	9.0	8.8	8.6	8.7	8.8
% Ch	-3.6	-10.3	-14.1	-19.7	-6.5	-7.4	3.3	2.9
Printing	24.3	24.4	24.5	24.3	24.1	24.1	24.1	24.3
% Ch	4.6	2.8	1.4	-4.2	-2.4	0.1	-0.3	3.3
Chemicals	6.0	6.0	6.0	6.0	6.1	6.1	6.2	6.3
% Ch	17.2	-1.7	5.9	-0.8	3.1	4.7	4.5	5.9
Other Nondurables	11.5	11.6	11.8	12.0	12.2	12.3	12.3	12.3
% Ch	9.7	3.8	5.8	7.7	5.9	5.2	-0.5	0.6
Durable Manufacturing	272.6	273.2	271.3	266.8	262.7	257.9	253.0	249.6
% Ch	5.6	0.9	-2.6	-6.5	-6.0	-7.1	-7.5	-5.3
Lumber and Wood	34.6	34.3	33.6	34.1	34.0	34.0	33.9	33.8
% Ch	-9.1	-3.7	-7.2	5.3	-1.3	-0.0	-1.1	-1.1
Furniture	4.6	4.7	4.7	4.8	4.8	4.7	4.7	4.7
% Ch	49.2	4.6	2.6	7.8	-0.3	-4.8	3.2	0.2
Stone-Clay-Glass	9.6	9.3	9.0	8.8	8.8	8.8	9.0	9.1
% Ch	-5.5	-11.9	-13.0	-7.8	-0.6	1.4	9.2	3.1
Primary Metals	12.3	12.2	12.2	11.2	11.6	11.9	11.7	11.6
% Ch	16.8	-2.0	-0.6	-30.0	16.4	9.2	-6.6	-1.1
Fabricated Metals	14.9	15.0	14.7	14.7	14.5	14.4	14.7	14.9
% Ch	3.2	2.6	-6.0	-2.2	-3.1	-3.1	7.7	4.3
Nonelectrical Machinery	27.2	26.4	25.6	25.2	25.0	25.0	25.2	25.3
% Ch	3.7	-10.9	-11.3	-6.7	-2.6	-0.2	2.3	2.1
Electrical Machinery	18.2	18.5	18.7	18.6	18.5	18.5	18.4	18.5
% Ch	9.4	6.5	4.7	-2.3	-3.3	1.6	-3.1	2.1
Aerospace	112.4	113.7	113.2	110.3	106.3	101.1	96.0	92.1
% Ch	7.4	4.7	-1.5	-10.1	-13.5	-18.4	-18.6	-15.3
Other Trans. Equip.	15.1	15.4	16.0	16.0	15.9	16.0	15.9	15.8
% Ch	13.1	9.4	14.9	1.4	-3.5	3.6	-4.1	-1.4
Instruments	15.0	14.9	14.8	14.8	14.8	14.9	14.8	14.8
% Ch	9.9	-2.5	-2.6	-2.4	0.0	3.2	-3.0	-0.0
Other Durables	8.7	8.8	8.7	8.5	8.6	8.6	8.8	9.0
% Ch	9.1	3.6	-4.2	-9.0	4.8	2.1	9.2	10.0
Nonmanufacturing	2,189.4	2,205.2	2,224.2	2,241.5	2,260.1	2,267.6	2,297.0	2,313.6
% Ch	3.3	2.9	3.5	3.1	3.4	1.3	5.3	2.9
Mining	3.3	3.3	3.2	3.3	3.4	3.1	2.9	3.3
% Ch	-14.7	-1.3	-7.0	2.2	12.6	-32.3	-17.2	58.0
Construction	140.7	141.6	144.5	147.9	150.2	152.7	155.0	157.3
% Ch	6.0	2.7	8.2	9.8	6.4	6.8	6.2	6.1
Trans., Comm. and Utilities	134.3	135.1	135.8	137.3	137.9	138.0	140.4	142.6
% Ch	0.3	2.5	2.3	4.3	1.9	0.3	7.1	6.3
Wholesale Trade	152.5	153.2	153.2	153.4	154.3	153.6	154.0	154.6
% Ch	1.6	2.1	-0.2	0.5	2.5	-2.0	1.1	1.7
Retail Trade	465.1	468.2	470.9	474.3	478.6	478.2	483.4	487.8
% Ch	3.0	2.7	2.4	2.9	3.7	-0.4	4.4	3.7
Finance-Insurance-Real Estate	131.8	133.8	135.5	137.1	137.5	137.2	137.4	138.0
% Ch	6.7	6.2	5.2	4.6	1.3	-0.8	0.5	1.8
Services	698.7	706.2	712.1	720.1	727.5	732.7	745.1	753.6
% Ch	3.8	4.4	3.4	4.6	4.1	2.9	7.0	4.6
State and Local Government	395.6	397.0	401.8	400.8	402.6	404.9	411.4	408.7
% Ch	3.8	1.4	4.9	-1.0	1.9	2.3	6.5	-2.6
Federal Government	67.5	66.8	67.2	67.5	68.1	67.3	67.4	67.7
% Ch	-3.1	-4.0	2.6	1.5	3.9	-4.9	0.5	2.1

Table A2.4
Washington Nonagricultural Employment by Industry
 Forecast 2001 to 2003

	2000:1	2000:2	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4
Wage and Salary Employment	2,695.7	2,714.7	2,720.2	2,724.6	2,735.2	2,736.0	2,744.5	2,750.7
% Ch	3.6	2.8	0.8	0.6	1.6	0.1	1.2	0.9
Manufacturing	351.3	354.2	350.7	347.7	345.9	341.2	340.3	339.5
% Ch	-7.8	3.4	-3.9	-3.4	-2.1	-5.3	-1.1	-0.9
Nondurable Manufacturing	108.8	108.8	107.6	106.2	105.7	105.0	105.2	105.3
% Ch	-0.3	-0.1	-4.1	-5.3	-1.8	-2.6	0.5	0.5
Food and Kindred Products	41.1	41.9	41.7	41.1	40.6	40.0	40.1	40.2
% Ch	-2.2	7.8	-1.6	-5.8	-5.3	-5.2	0.7	1.2
Pulp and Paper	15.7	15.7	15.6	15.4	15.2	14.9	15.0	15.0
% Ch	-4.8	0.4	-2.9	-3.6	-4.9	-9.5	2.6	2.4
Apparel	8.5	8.3	7.9	7.8	7.7	7.6	7.7	7.6
% Ch	-13.6	-6.7	-16.9	-6.5	-7.4	-3.3	3.6	-0.6
Printing	24.5	24.4	24.3	24.1	24.5	24.6	24.5	24.4
% Ch	3.1	-1.2	-1.3	-3.8	6.5	1.4	-1.1	-1.5
Chemicals	6.3	6.1	6.1	6.1	6.0	6.0	6.1	6.1
% Ch	0.5	-12.0	0.2	-2.9	-2.4	-1.6	3.5	3.1
Other Nondurables	12.8	12.3	11.9	11.6	11.7	12.0	11.9	11.9
% Ch	15.4	-12.5	-12.6	-9.4	2.7	8.2	-2.8	-0.2
Durable Manufacturing	242.5	245.4	243.1	241.5	240.2	236.1	235.1	234.2
% Ch	-10.9	5.0	-3.8	-2.5	-2.2	-6.5	-1.8	-1.5
Lumber and Wood	34.0	33.7	32.6	31.8	31.3	30.7	30.9	30.9
% Ch	2.2	-3.1	-12.9	-9.2	-5.4	-7.7	2.7	-0.8
Furniture	4.8	4.9	4.8	4.8	4.9	4.7	4.7	4.7
% Ch	7.2	6.1	-4.7	-2.2	9.0	-15.8	-0.7	-0.6
Stone-Clay-Glass	9.3	9.2	9.1	9.0	9.2	9.1	9.1	9.1
% Ch	10.1	-2.0	-6.2	-2.6	6.7	-3.2	-0.1	-0.7
Primary Metals	11.3	11.0	10.7	11.1	10.4	9.4	9.0	8.1
% Ch	-10.9	-10.3	-11.4	16.9	-22.4	-33.6	-16.8	-33.4
Fabricated Metals	14.8	15.0	15.1	15.0	15.1	14.8	14.8	14.8
% Ch	-0.2	3.4	2.5	-0.4	1.3	-8.2	1.4	-1.3
Nonelectrical Machinery	25.3	25.5	25.3	25.1	24.8	24.5	24.3	24.1
% Ch	0.5	2.6	-2.4	-3.2	-4.8	-4.8	-3.6	-2.5
Electrical Machinery	19.4	19.8	20.4	20.7	20.4	19.5	19.3	19.2
% Ch	20.3	9.4	11.4	6.0	-5.5	-16.7	-2.8	-1.8
Aerospace	84.0	87.6	86.9	86.3	86.6	86.7	86.3	86.7
% Ch	-30.9	18.4	-3.3	-2.8	1.6	0.3	-1.7	2.0
Other Trans. Equip.	16.0	15.5	14.8	14.3	14.1	13.6	13.6	13.6
% Ch	5.0	-12.5	-17.1	-11.9	-6.1	-13.9	0.1	1.0
Instruments	14.5	14.6	14.8	14.8	14.9	14.8	14.6	14.4
% Ch	-7.2	3.3	5.3	-0.0	1.8	-1.8	-5.3	-5.3
Other Durables	9.1	8.6	8.7	8.6	8.5	8.5	8.5	8.6
% Ch	0.9	-17.5	4.4	-4.8	-4.6	-2.7	3.0	2.8
Nonmanufacturing	2,344.4	2,360.5	2,369.5	2,376.8	2,389.3	2,394.9	2,404.2	2,411.2
% Ch	5.4	2.8	1.5	1.3	2.1	0.9	1.6	1.2
Mining	3.6	3.6	3.6	3.5	3.5	3.6	3.6	3.6
% Ch	42.5	6.8	-3.4	-10.6	5.8	4.1	1.1	0.1
Construction	161.3	161.3	160.3	161.3	164.1	163.3	164.0	163.0
% Ch	10.6	-0.1	-2.4	2.6	6.9	-1.8	1.6	-2.4
Trans., Comm. and Utilities	144.1	145.5	147.1	148.9	149.6	149.8	150.2	150.5
% Ch	4.3	4.0	4.3	5.2	1.7	0.5	1.1	0.8
Wholesale Trade	154.8	155.6	155.7	158.0	157.4	156.8	156.9	157.0
% Ch	0.5	2.2	0.3	5.9	-1.4	-1.5	0.1	0.3
Retail Trade	494.2	497.2	495.1	493.7	495.7	496.0	495.6	496.4
% Ch	5.3	2.5	-1.7	-1.1	1.6	0.2	-0.4	0.6
Finance-Insurance-Real Estate	138.0	137.4	137.1	137.6	138.1	138.6	140.3	140.5
% Ch	-0.2	-1.7	-0.9	1.4	1.7	1.4	5.1	0.4
Services	768.7	775.1	784.8	791.7	794.4	797.8	803.7	809.0
% Ch	8.3	3.4	5.1	3.6	1.4	1.7	3.0	2.7
State and Local Government	412.1	410.3	416.3	414.3	418.3	420.9	421.9	423.1
% Ch	3.3	-1.7	6.0	-1.9	3.9	2.5	1.0	1.1
Federal Government	67.7	74.4	69.5	67.8	68.1	68.1	68.1	68.2
% Ch	0.2	45.8	-23.9	-9.4	1.5	-0.0	-0.0	1.0

Table A2.4
Washington Nonagricultural Employment by Industry
 Forecast 2001 to 2003

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Wage and Salary Employment	2,760.0	2,771.0	2,785.3	2,798.5	2,812.8	2,827.4	2,839.5	2,852.0
% Ch	1.4	1.6	2.1	1.9	2.1	2.1	1.7	1.8
Manufacturing	340.1	341.4	343.3	345.4	347.7	349.9	352.0	353.7
% Ch	0.7	1.6	2.3	2.4	2.7	2.6	2.3	2.0
Nondurable Manufacturing	105.4	105.5	105.8	106.2	106.5	106.9	107.2	107.4
% Ch	0.3	0.6	1.2	1.2	1.4	1.4	1.1	0.7
Food and Kindred Products	40.3	40.4	40.5	40.6	40.8	41.0	41.2	41.3
% Ch	1.0	0.5	1.3	1.4	1.6	1.8	1.6	1.3
Pulp and Paper	15.1	15.1	15.1	15.1	15.2	15.2	15.2	15.2
% Ch	0.7	1.0	0.6	0.5	0.5	0.1	0.0	0.1
Apparel	7.6	7.6	7.6	7.5	7.5	7.4	7.4	7.3
% Ch	-0.9	0.2	-1.4	-3.8	-1.8	-3.0	-4.7	-4.6
Printing	24.3	24.1	24.1	24.1	24.2	24.3	24.3	24.4
% Ch	-2.3	-2.1	-0.7	0.7	0.8	1.2	1.4	1.0
Chemicals	6.1	6.2	6.3	6.3	6.4	6.5	6.5	6.6
% Ch	2.3	3.2	4.2	4.5	4.1	4.2	4.0	3.7
Other Nondurables	11.9	12.1	12.2	12.4	12.5	12.6	12.6	12.7
% Ch	2.5	4.7	5.7	4.1	3.4	3.5	2.0	0.3
Durable Manufacturing	234.7	235.9	237.5	239.3	241.2	243.0	244.8	246.4
% Ch	0.9	2.0	2.8	3.0	3.3	3.1	2.9	2.7
Lumber and Wood	30.8	30.8	31.1	31.4	31.6	31.8	32.0	32.1
% Ch	-0.5	-0.0	4.1	3.5	3.0	2.5	2.0	1.5
Furniture	4.7	4.7	4.8	4.8	4.8	4.8	4.9	4.9
% Ch	0.5	1.7	3.4	2.4	1.3	1.8	1.8	2.1
Stone-Clay-Glass	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
% Ch	-2.5	-1.7	0.2	0.9	0.5	0.2	0.2	0.4
Primary Metals	8.1	8.1	8.2	8.2	8.3	8.3	8.3	8.3
% Ch	-0.5	1.0	2.3	3.6	1.8	1.3	0.5	-0.2
Fabricated Metals	14.7	14.7	14.8	14.9	14.9	15.0	15.1	15.1
% Ch	-2.2	0.2	2.1	2.7	1.1	1.6	2.0	1.7
Nonelectrical Machinery	24.1	24.2	24.3	24.4	24.8	25.2	25.6	26.0
% Ch	-0.9	1.5	1.9	2.0	7.4	6.8	5.9	5.4
Electrical Machinery	19.5	19.8	20.0	20.2	20.3	20.4	20.6	20.8
% Ch	6.0	6.1	4.3	3.2	2.3	3.0	3.1	3.3
Aerospace	87.3	87.9	88.6	89.2	89.9	90.6	91.2	91.9
% Ch	2.7	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Other Trans. Equip.	13.6	13.6	13.7	13.7	13.7	13.7	13.8	13.8
% Ch	0.4	0.9	0.8	0.6	0.6	0.7	0.8	0.6
Instruments	14.2	14.2	14.3	14.5	14.9	15.1	15.2	15.4
% Ch	-5.4	1.3	2.6	6.2	8.8	5.8	4.6	3.5
Other Durables	8.6	8.7	8.8	8.9	8.9	9.0	9.1	9.1
% Ch	3.0	3.1	3.8	3.8	3.0	3.1	2.9	2.7
Nonmanufacturing	2,420.0	2,429.6	2,441.9	2,453.1	2,465.1	2,477.5	2,487.5	2,498.3
% Ch	1.5	1.6	2.0	1.9	2.0	2.0	1.6	1.7
Mining	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6
% Ch	-1.5	-1.0	0.7	1.6	1.4	1.1	0.9	0.8
Construction	161.6	161.7	162.7	163.7	164.1	164.6	164.9	165.3
% Ch	-3.4	0.2	2.5	2.5	1.1	1.1	0.8	1.0
Trans., Comm. and Utilities	150.9	151.5	152.2	152.9	153.6	154.3	154.9	155.5
% Ch	1.2	1.4	1.9	1.8	1.9	1.9	1.6	1.6
Wholesale Trade	156.9	157.0	157.3	157.8	158.1	158.4	158.8	159.2
% Ch	-0.1	0.2	0.9	1.1	0.8	0.9	0.9	1.0
Retail Trade	498.5	499.5	500.0	500.8	502.0	504.3	505.1	506.5
% Ch	1.8	0.8	0.4	0.6	1.0	1.8	0.6	1.1
Finance-Insurance-Real Estate	141.0	141.6	142.5	143.4	144.4	145.3	146.0	146.8
% Ch	1.4	1.7	2.6	2.7	2.7	2.5	2.1	2.1
Services	814.8	820.8	828.5	834.9	842.1	848.7	854.8	860.7
% Ch	2.9	3.0	3.8	3.1	3.5	3.2	2.9	2.8
State and Local Government	424.3	425.6	426.7	427.7	428.9	429.9	431.0	432.2
% Ch	1.2	1.2	1.1	0.9	1.1	0.9	1.1	1.1
Federal Government	68.4	68.4	68.4	68.4	68.4	68.4	68.5	68.5
% Ch	0.8	-0.1	-0.0	0.1	0.2	0.2	0.2	0.3

Table A3.1
U.S. Personal Income by Component
 Forecast 2001 to 2003

	1996	1997	1998	1999	2000	2001	2002	2003
Personal Income	6,547.4	6,937.0	7,391.0	7,789.7	8,281.7	8,647.8	9,063.2	9,642.7
% Ch	5.6	6.0	6.5	5.4	6.3	4.4	4.8	6.4
Total Wage and Salary Disbursements	3,626.5	3,888.9	4,190.7	4,470.0	4,769.4	5,022.4	5,283.1	5,606.4
% Ch	5.9	7.2	7.8	6.7	6.7	5.3	5.2	6.1
Nonwage Personal Income	2,920.9	3,048.1	3,200.3	3,319.7	3,512.3	3,625.4	3,780.1	4,036.4
% Ch	5.2	4.4	5.0	3.7	5.8	3.2	4.3	6.8
Other Labor Income	490.0	475.4	485.5	501.0	524.0	545.8	563.9	592.9
% Ch	-1.4	-3.0	2.1	3.2	4.6	4.2	3.3	5.1
Proprietor's Income	544.8	581.2	620.7	663.5	710.4	739.0	802.7	860.3
% Ch	9.4	6.7	6.8	6.9	7.1	4.0	8.6	7.2
Farm	34.3	29.7	25.4	25.3	22.6	24.7	25.1	25.4
% Ch	54.3	-13.3	-14.3	-0.5	-10.8	9.6	1.4	1.3
Nonfarm	510.5	551.5	595.2	638.2	687.8	714.3	777.6	834.9
% Ch	7.4	8.0	7.9	7.2	7.8	3.9	8.9	7.4
Less: Pers Cont. For Social Ins.	280.4	297.9	316.2	338.5	360.7	379.4	391.3	410.0
% Ch	4.3	6.2	6.2	7.0	6.6	5.2	3.1	4.8
Dividends/Int./Rent	1,237.7	1,327.2	1,427.3	1,477.4	1,570.9	1,583.3	1,601.4	1,711.7
% Ch	6.3	7.2	7.5	3.5	6.3	0.8	1.1	6.9
Transfer Payments	928.8	962.2	983.0	1,016.2	1,067.8	1,136.6	1,203.4	1,281.5
% Ch	4.8	3.6	2.2	3.4	5.1	6.4	5.9	6.5

Table A3.2
U.S. Personal Income by Component
 Forecast 2001 to 2003

	1998:1	1998:2	1998:3	1998:4	1999:1	1999:2	1999:3	1999:4
Personal Income	7,230.7	7,339.5	7,445.1	7,548.6	7,628.1	7,729.7	7,828.5	7,972.3
% Ch	7.7	6.2	5.9	5.7	4.3	5.4	5.2	7.6
Total Wage and Salary Disbursements	4,084.9	4,153.4	4,226.2	4,298.2	4,364.3	4,430.4	4,507.0	4,578.3
% Ch	8.5	6.9	7.2	7.0	6.3	6.2	7.1	6.5
Nonwage Personal Income	3,145.8	3,186.1	3,218.9	3,250.4	3,263.8	3,299.3	3,321.5	3,394.0
% Ch	6.7	5.2	4.2	4.0	1.7	4.4	2.7	9.0
Other Labor Income	480.0	483.8	487.4	490.9	495.1	498.7	502.8	507.4
% Ch	7.0	3.2	3.1	2.8	3.5	2.9	3.4	3.7
Proprietor's Income	606.2	613.3	619.5	643.7	644.1	660.4	659.7	689.6
% Ch	9.4	4.7	4.2	16.6	0.2	10.5	-0.4	19.4
Farm	25.3	23.3	21.2	32.0	25.0	29.0	15.5	31.7
% Ch	-41.0	-28.6	-31.3	423.6	-63.1	82.2	-91.8	1,632.0
Nonfarm	580.9	590.0	598.4	611.7	619.1	631.4	644.2	657.9
% Ch	12.7	6.4	5.8	9.2	5.0	8.2	8.4	8.8
Less: Pers Cont. For Social Ins.	310.3	314.0	318.2	322.5	331.2	335.8	341.0	345.9
% Ch	7.6	4.8	5.4	5.5	11.2	5.7	6.4	5.8
Dividends/Int./Rent	1,392.8	1,422.7	1,444.3	1,449.5	1,450.8	1,463.8	1,479.6	1,515.4
% Ch	7.3	8.9	6.2	1.4	0.4	3.6	4.4	10.0
Transfer Payments	977.1	980.3	985.8	988.8	1,005.0	1,012.2	1,020.3	1,027.4
% Ch	4.3	1.3	2.3	1.2	6.7	2.9	3.2	2.8

Table A3.2
U.S. Personal Income by Component
 Forecast 2001 to 2003

	2000:1	2000:2	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4
Personal Income	8,105.8	8,242.1	8,349.0	8,429.7	8,550.9	8,609.0	8,679.0	8,752.3
% Ch	6.9	6.9	5.3	3.9	5.9	2.7	3.3	3.4
Total Wage and Salary Disbursements	4,660.4	4,740.1	4,804.9	4,872.0	4,948.9	4,992.4	5,042.4	5,105.9
% Ch	7.4	7.0	5.6	5.7	6.5	3.6	4.1	5.1
Nonwage Personal Income	3,445.5	3,502.0	3,544.1	3,557.7	3,602.0	3,616.6	3,636.5	3,646.4
% Ch	6.2	6.7	4.9	1.5	5.1	1.6	2.2	1.1
Other Labor Income	514.0	520.5	527.6	534.0	541.1	544.3	549.4	548.4
% Ch	5.3	5.1	5.6	5.0	5.5	2.4	3.7	-0.7
Proprietor's Income	693.9	709.5	724.8	713.2	723.4	727.6	744.6	760.6
% Ch	2.5	9.3	8.9	-6.2	5.8	2.4	9.7	8.9
Farm	19.1	21.5	31.7	18.0	20.9	24.8	27.0	26.3
% Ch	-86.8	58.6	375.7	-89.6	80.1	98.1	41.7	-10.0
Nonfarm	674.8	688.1	693.1	695.2	702.5	702.9	717.6	734.3
% Ch	10.7	8.1	2.9	1.2	4.3	0.2	8.6	9.6
Less: Pers Cont. For Social Ins.	353.4	358.8	363.1	367.6	376.9	377.9	379.9	382.8
% Ch	9.0	6.3	4.9	5.0	10.6	1.1	2.1	3.1
Dividends/Int./Rent	1,544.0	1,564.7	1,580.7	1,594.1	1,599.2	1,593.4	1,575.8	1,564.9
% Ch	7.8	5.5	4.1	3.5	1.3	-1.4	-4.4	-2.7
Transfer Payments	1,046.9	1,066.1	1,074.2	1,084.0	1,115.3	1,129.2	1,146.7	1,155.3
% Ch	7.8	7.6	3.1	3.7	12.1	5.1	6.3	3.0

Table A3.2
U.S. Personal Income by Component
 Forecast 2001 to 2003

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Personal Income	8,877.3	8,995.4	9,124.1	9,255.8	9,421.7	9,576.9	9,717.8	9,854.5
% Ch	5.8	5.4	5.8	5.9	7.4	6.8	6.0	5.7
Total Wage and Salary Disbursements	5,177.2	5,244.1	5,317.9	5,393.2	5,481.1	5,565.4	5,648.2	5,730.8
% Ch	5.7	5.3	5.8	5.8	6.7	6.3	6.1	6.0
Nonwage Personal Income	3,700.2	3,751.4	3,806.2	3,862.6	3,940.6	4,011.5	4,069.7	4,123.7
% Ch	6.0	5.7	6.0	6.1	8.3	7.4	5.9	5.4
Other Labor Income	553.8	560.0	567.3	574.5	581.9	589.5	596.5	603.8
% Ch	4.0	4.5	5.4	5.2	5.2	5.3	4.8	5.0
Proprietor's Income	778.5	794.7	811.5	826.0	843.3	855.8	865.6	876.3
% Ch	9.7	8.6	8.8	7.4	8.6	6.1	4.7	5.0
Farm	25.4	24.8	25.2	25.0	25.0	25.2	25.6	25.8
% Ch	-13.5	-9.2	7.2	-2.5	-0.8	3.8	6.7	3.4
Nonfarm	753.1	769.9	786.3	801.0	818.3	830.6	840.0	850.5
% Ch	10.6	9.2	8.8	7.7	8.9	6.1	4.6	5.1
Less: Pers Cont. for Social Ins.	386.3	389.4	392.9	396.5	402.1	407.5	412.6	417.8
% Ch	3.7	3.2	3.7	3.7	5.8	5.4	5.2	5.1
Dividends/Int./Rent	1,573.5	1,590.9	1,609.2	1,632.0	1,661.1	1,701.6	1,730.2	1,753.9
% Ch	2.2	4.5	4.7	5.8	7.3	10.1	6.9	5.6
Transfer Payments	1,180.6	1,195.2	1,211.1	1,226.6	1,256.5	1,272.1	1,290.0	1,307.5
% Ch	9.1	5.0	5.4	5.2	10.1	5.1	5.8	5.5

Table A3.3
Washington Personal Income by Component
 Forecast 2001 to 2003

	1996	1997	1998	1999	2000	2001	2002	2003
Personal Income	139.328	150.203	162.555	174.877	186.432	191.163	200.713	213.814
% Ch	7.4	7.8	8.2	7.6	6.6	2.5	5.0	6.5
Total Wage and Salary Disbursements	77.310	85.392	94.036	103.478	110.089	112.253	118.144	125.356
% Ch	7.9	10.5	10.1	10.0	6.4	2.0	5.2	6.1
Manufacturing	13.668	15.312	16.206	16.409	16.763	16.733	17.557	18.951
% Ch	8.0	12.0	5.8	1.3	2.2	-0.2	4.9	7.9
Nondurable Manufacturing	3.570	3.732	3.797	4.061	4.438	4.226	4.444	4.737
% Ch	2.8	4.5	1.7	7.0	9.3	-4.8	5.2	6.6
Durable Manufacturing	10.098	11.580	12.409	12.348	12.326	12.508	13.113	14.214
% Ch	10.0	14.7	7.2	-0.5	-0.2	1.5	4.8	8.4
Nonmanufacturing	60.310	66.551	74.295	83.278	89.251	91.253	96.169	101.797
% Ch	8.0	10.3	11.6	12.1	7.2	2.2	5.4	5.9
Other Private Wages	0.683	0.742	0.767	0.884	0.934	0.939	0.998	1.081
% Ch	-1.8	8.5	3.5	15.2	5.6	0.5	6.3	8.3
Farm Wages	0.775	0.849	0.898	1.003	1.155	1.259	1.301	1.358
% Ch	15.6	9.7	5.7	11.8	15.1	9.0	3.3	4.4
Military Wages	1.873	1.938	1.871	1.902	1.985	2.068	2.118	2.170
% Ch	4.6	3.5	-3.5	1.7	4.3	4.2	2.4	2.4
Nonwage Personal Income	62.018	64.810	68.518	71.400	76.343	78.910	82.570	88.458
% Ch	6.9	4.5	5.7	4.2	6.9	3.4	4.6	7.1
Other Labor Income	10.015	10.187	10.591	11.109	11.400	11.694	12.155	12.823
% Ch	3.1	1.7	4.0	4.9	2.6	2.6	3.9	5.5
Proprietor's Income	11.587	11.691	12.850	13.389	14.450	15.025	16.534	17.847
% Ch	7.9	0.9	9.9	4.2	7.9	4.0	10.0	7.9
Farm	0.877	0.467	0.543	0.077	0.218	0.356	0.513	0.586
% Ch	57.2	-46.7	16.3	-85.7	181.3	63.4	43.9	14.3
Nonfarm	10.710	11.224	12.306	13.311	14.232	14.668	16.021	17.261
% Ch	5.2	4.8	9.6	8.2	6.9	3.1	9.2	7.7
Less: Pers. Cont. for Social Ins.	6.070	6.637	7.194	7.903	8.213	8.458	8.784	9.266
% Ch	6.1	9.4	8.4	9.9	3.9	3.0	3.8	5.5
Plus: Residence Adjustment	1.474	1.645	1.794	2.103	2.390	2.556	2.656	2.767
% Ch	13.9	11.5	9.1	17.2	13.6	7.0	3.9	4.2
Dividends/Int./Rent	26.618	28.888	30.850	32.265	34.802	35.153	35.666	38.264
% Ch	9.1	8.5	6.8	4.6	7.9	1.0	1.5	7.3
Transfer Payments	18.394	19.037	19.628	20.437	21.514	22.941	24.343	26.024
% Ch	4.5	3.5	3.1	4.1	5.3	6.6	6.1	6.9
State U.I. Benefits	0.856	0.723	0.817	0.947	0.922	0.962	0.962	0.989
% Ch	-3.6	-15.6	13.1	15.9	-2.7	4.3	0.0	2.8
Other Transfers	17.537	18.315	18.811	19.490	20.593	21.979	23.381	25.035
% Ch	4.9	4.4	2.7	3.6	5.7	6.7	6.4	7.1

Table A3.4
Washington Personal Income by Component
 Forecast 2001 to 2003

	1998:1	1998:2	1998:3	1998:4	1999:1	1999:2	1999:3	1999:4
Personal Income	158.220	161.120	164.488	166.392	169.770	170.416	176.760	182.560
% Ch	11.0	7.5	8.6	4.7	8.4	1.5	15.7	13.8
Total Wage and Salary Disbursements	90.954	93.001	95.539	96.652	99.965	99.597	105.096	109.252
% Ch	13.2	9.3	11.4	4.7	14.4	-1.5	24.0	16.8
Manufacturing	15.852	16.202	16.469	16.300	16.205	16.385	16.474	16.572
% Ch	-1.4	9.1	6.8	-4.0	-2.3	4.5	2.2	2.4
Nondurable Manufacturing	3.726	3.718	3.857	3.886	3.863	4.081	4.131	4.170
% Ch	-2.1	-0.9	15.8	3.0	-2.3	24.6	5.0	3.8
Durable Manufacturing	12.126	12.484	12.612	12.414	12.342	12.304	12.343	12.402
% Ch	-1.1	12.3	4.2	-6.1	-2.3	-1.2	1.3	1.9
Nonmanufacturing	71.601	73.305	75.529	76.745	80.017	79.434	84.827	88.836
% Ch	17.4	9.9	12.7	6.6	18.2	-2.9	30.1	20.3
Other Private Wages	0.747	0.736	0.772	0.814	0.864	0.888	0.876	0.909
% Ch	-6.7	-5.8	21.0	23.6	26.9	11.6	-5.3	15.9
Farm Wages	0.887	0.888	0.899	0.917	0.954	0.995	1.027	1.037
% Ch	4.6	0.5	5.0	8.3	17.1	18.3	13.5	4.0
Military Wages	1.867	1.870	1.870	1.876	1.925	1.895	1.892	1.898
% Ch	1.7	0.6	0.0	1.3	10.9	-6.1	-0.6	1.3
Nonwage Personal Income	67.266	68.118	68.949	69.739	69.806	70.820	71.663	73.309
% Ch	8.2	5.2	5.0	4.7	0.4	5.9	4.8	9.5
Other Labor Income	10.396	10.542	10.690	10.736	10.962	10.867	11.190	11.418
% Ch	11.5	5.7	5.7	1.7	8.7	-3.4	12.4	8.4
Proprietor's Income	12.426	12.653	12.859	13.461	12.935	13.239	13.395	13.985
% Ch	15.2	7.5	6.7	20.1	-14.7	9.7	4.8	18.8
Farm	0.521	0.490	0.448	0.714	0.041	0.053	-0.041	0.257
% Ch	66.0	-21.8	-30.1	545.2	-100.0	179.2	-64.2	N/M
Nonfarm	11.905	12.163	12.410	12.747	12.894	13.186	13.436	13.729
% Ch	13.5	9.0	8.4	11.3	4.7	9.4	7.8	9.0
Less: Pers. Cont. for Social Ins.	7.010	7.133	7.291	7.341	7.683	7.640	8.017	8.273
% Ch	12.4	7.2	9.2	2.8	20.0	-2.2	21.2	13.4
Plus: Residence Adjustment	1.795	1.788	1.776	1.816	2.039	2.121	2.108	2.143
% Ch	34.1	-1.6	-2.7	9.3	58.9	17.1	-2.4	6.8
Dividends/Int./Rent	30.198	30.757	31.183	31.260	31.385	31.830	32.470	33.374
% Ch	5.6	7.6	5.7	1.0	1.6	5.8	8.3	11.6
Transfer Payments	19.461	19.511	19.733	19.807	20.168	20.403	20.517	20.661
% Ch	5.8	1.0	4.6	1.5	7.5	4.7	2.3	2.8
State U.I. Benefits	0.784	0.749	0.866	0.869	0.906	1.002	0.943	0.938
% Ch	20.0	-16.7	78.7	1.4	18.1	49.6	-21.6	-2.1
Other Transfers	18.677	18.762	18.867	18.938	19.261	19.401	19.575	19.722
% Ch	5.2	1.8	2.3	1.5	7.0	2.9	3.6	3.0

Table A3.4
Washington Personal Income by Component
 Forecast 2001 to 2003

	2000:1	2000:2	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4
Personal Income	187.684	185.385	185.962	186.696	187.725	190.724	192.347	193.857
% Ch	11.7	-4.8	1.3	1.6	2.2	6.5	3.4	3.2
Total Wage and Salary Disbursements	113.032	109.444	108.647	109.232	109.405	112.066	113.166	114.376
% Ch	14.6	-12.1	-2.9	2.2	0.6	10.1	4.0	4.3
Manufacturing	17.380	16.465	16.672	16.535	16.674	16.635	16.737	16.888
% Ch	21.0	-19.5	5.1	-3.2	3.4	-0.9	2.5	3.7
Nondurable Manufacturing	5.025	4.209	4.386	4.131	4.169	4.196	4.241	4.297
% Ch	110.9	-50.8	17.9	-21.3	3.8	2.6	4.3	5.4
Durable Manufacturing	12.355	12.256	12.286	12.404	12.504	12.439	12.497	12.592
% Ch	-1.5	-3.2	1.0	3.9	3.3	-2.1	1.9	3.1
Nonmanufacturing	91.727	88.938	87.820	88.520	88.506	91.170	92.148	93.189
% Ch	13.7	-11.6	-4.9	3.2	-0.1	12.6	4.4	4.6
Other Private Wages	0.900	0.965	0.959	0.912	0.917	0.936	0.946	0.955
% Ch	-3.7	31.9	-2.3	-18.4	2.3	8.7	4.3	3.9
Farm Wages	1.071	1.127	1.183	1.239	1.245	1.257	1.264	1.271
% Ch	13.8	22.6	21.4	20.3	1.8	4.1	2.3	2.2
Military Wages	1.954	1.948	2.013	2.026	2.063	2.068	2.070	2.072
% Ch	12.3	-1.2	14.0	2.6	7.5	0.9	0.4	0.5
Nonwage Personal Income	74.652	75.941	77.315	77.464	78.320	78.658	79.180	79.481
% Ch	7.5	7.1	7.4	0.8	4.5	1.7	2.7	1.5
Other Labor Income	11.424	11.381	11.335	11.461	11.463	11.693	11.815	11.804
% Ch	0.2	-1.5	-1.6	4.5	0.1	8.3	4.2	-0.4
Proprietor's Income	14.148	14.305	14.883	14.465	14.645	14.725	15.175	15.554
% Ch	4.7	4.5	17.2	-10.8	5.1	2.2	12.8	10.4
Farm	0.119	0.070	0.578	0.105	0.242	0.338	0.403	0.442
% Ch	-95.4	-88.0	N/M	-99.9	2,725.5	278.1	103.5	44.5
Nonfarm	14.029	14.235	14.305	14.360	14.403	14.387	14.772	15.112
% Ch	9.0	6.0	2.0	1.5	1.2	-0.4	11.1	9.5
Less: Pers. Cont. for Social Ins.	8.332	8.218	8.104	8.199	8.295	8.455	8.510	8.573
% Ch	2.9	-5.4	-5.4	4.8	4.8	7.9	2.6	3.0
Plus: Residence Adjustment	2.248	2.369	2.448	2.493	2.522	2.544	2.567	2.591
% Ch	21.1	23.3	14.0	7.6	4.8	3.5	3.7	3.8
Dividends/Int./Rent	34.102	34.647	35.102	35.357	35.474	35.358	34.994	34.784
% Ch	9.0	6.5	5.4	2.9	1.3	-1.3	-4.1	-2.4
Transfer Payments	21.062	21.457	21.651	21.887	22.512	22.792	23.140	23.321
% Ch	8.0	7.7	3.7	4.4	11.9	5.1	6.2	3.2
State U.I. Benefits	0.920	0.887	0.918	0.962	0.947	0.978	0.971	0.951
% Ch	-7.5	-13.6	14.7	20.6	-6.0	13.7	-2.8	-8.2
Other Transfers	20.142	20.570	20.733	20.925	21.565	21.814	22.168	22.370
% Ch	8.8	8.8	3.2	3.8	12.8	4.7	6.7	3.7

Table A3.4
Washington Personal Income by Component
 Forecast 2001 to 2003

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Personal Income	196.486	199.109	202.088	205.169	208.755	212.261	215.518	218.723
% Ch	5.5	5.4	6.1	6.2	7.2	6.9	6.3	6.1
Total Wage and Salary Disbursements	115.771	117.205	118.929	120.669	122.519	124.397	126.294	128.214
% Ch	5.0	5.0	6.0	6.0	6.3	6.3	6.2	6.2
Manufacturing	17.113	17.377	17.699	18.037	18.394	18.761	19.139	19.509
% Ch	5.4	6.3	7.6	7.8	8.2	8.2	8.3	8.0
Nondurable Manufacturing	4.350	4.406	4.475	4.546	4.620	4.698	4.777	4.852
% Ch	5.1	5.2	6.4	6.5	6.7	6.9	6.9	6.4
Durable Manufacturing	12.764	12.972	13.224	13.491	13.774	14.063	14.361	14.657
% Ch	5.6	6.7	8.0	8.3	8.7	8.7	8.8	8.5
Nonmanufacturing	94.284	95.427	96.798	98.167	99.574	101.045	102.527	104.040
% Ch	4.8	4.9	5.9	5.8	5.9	6.0	6.0	6.0
Other Private Wages	0.972	0.988	1.007	1.026	1.049	1.071	1.091	1.112
% Ch	7.1	6.9	7.8	7.9	9.1	8.7	7.8	7.6
Farm Wages	1.283	1.294	1.307	1.321	1.336	1.351	1.365	1.379
% Ch	3.6	3.6	4.1	4.2	4.8	4.6	4.3	4.2
Military Wages	2.118	2.118	2.118	2.119	2.166	2.169	2.171	2.174
% Ch	9.1	0.0	-0.0	0.2	9.2	0.5	0.5	0.5
Nonwage Personal Income	80.716	81.904	83.159	84.500	86.236	87.864	89.224	90.509
% Ch	6.4	6.0	6.3	6.6	8.5	7.8	6.3	5.9
Other Labor Income	11.920	12.060	12.235	12.405	12.564	12.738	12.905	13.083
% Ch	4.0	4.8	5.9	5.7	5.2	5.7	5.3	5.6
Proprietor's Income	15.973	16.348	16.735	17.078	17.469	17.745	17.965	18.209
% Ch	11.2	9.7	9.8	8.4	9.5	6.5	5.1	5.6
Farm	0.475	0.500	0.529	0.546	0.563	0.580	0.595	0.607
% Ch	33.3	23.2	25.2	12.8	13.4	12.3	11.0	8.3
Nonfarm	15.498	15.848	16.206	16.532	16.906	17.165	17.370	17.602
% Ch	10.6	9.3	9.3	8.3	9.3	6.3	4.9	5.5
Less: Pers. Cont. for Social Ins.	8.650	8.728	8.829	8.929	9.062	9.198	9.334	9.472
% Ch	3.6	3.7	4.7	4.6	6.1	6.1	6.1	6.0
Plus: Residence Adjustment	2.616	2.642	2.669	2.697	2.725	2.752	2.781	2.810
% Ch	3.9	4.0	4.1	4.2	4.2	4.1	4.3	4.3
Dividends/Int./Rent	35.002	35.416	35.853	36.394	37.075	38.015	38.694	39.272
% Ch	2.5	4.8	5.0	6.2	7.7	10.5	7.3	6.1
Transfer Payments	23.854	24.167	24.495	24.856	25.465	25.812	26.213	26.606
% Ch	9.5	5.3	5.5	6.0	10.2	5.6	6.4	6.1
State U.I. Benefits	0.955	0.960	0.963	0.969	0.977	0.981	0.993	1.006
% Ch	1.9	2.2	1.2	2.6	3.3	1.7	4.8	5.3
Other Transfers	22.899	23.206	23.532	23.886	24.488	24.831	25.220	25.600
% Ch	9.8	5.5	5.7	6.2	10.5	5.7	6.4	6.2

Table A4.1
Selected Inflation Indicators
 (Deflator 1996=1.0; CPI 1982-84=1.0)

	Price Deflator*		U.S. CPI#		Seattle CPI+	
	Index	Percent Change	Index	Percent Change	Index	Percent Change
1963	0.228	1.2	0.306	1.3	0.302	1.6
1964	0.231	1.4	0.310	1.3	0.306	1.3
1965	0.234	1.5	0.315	1.6	0.310	1.1
1966	0.240	2.6	0.325	3.0	0.319	3.0
1967	0.246	2.5	0.334	2.8	0.328	2.9
1968	0.256	3.9	0.348	4.2	0.342	4.1
1969	0.267	4.5	0.367	5.4	0.358	4.8
1970	0.280	4.7	0.388	5.9	0.374	4.5
1971	0.292	4.3	0.405	4.2	0.382	2.1
1972	0.302	3.5	0.418	3.3	0.393	2.9
1973	0.319	5.4	0.444	6.3	0.418	6.4
1974	0.351	10.3	0.493	11.0	0.464	11.0
1975	0.380	8.1	0.538	9.1	0.511	10.2
1976	0.401	5.5	0.569	5.8	0.539	5.5
1977	0.427	6.6	0.606	6.5	0.583	8.0
1978	0.458	7.1	0.652	7.6	0.640	9.9
1979	0.498	8.9	0.726	11.3	0.709	10.8
1980	0.552	10.8	0.824	13.5	0.827	16.7
1981	0.601	8.8	0.909	10.4	0.916	10.8
1982	0.635	5.6	0.965	6.2	0.978	6.7
1983	0.662	4.3	0.996	3.2	0.993	1.5
1984	0.686	3.7	1.039	4.4	1.030	3.8
1985	0.710	3.4	1.076	3.5	1.056	2.5
1986	0.727	2.4	1.097	1.9	1.066	1.0
1987	0.755	3.8	1.137	3.7	1.092	2.4
1988	0.784	3.9	1.184	4.1	1.128	3.3
1989	0.819	4.4	1.240	4.8	1.181	4.7
1990	0.856	4.6	1.308	5.4	1.268	7.3
1991	0.889	3.8	1.363	4.2	1.341	5.8
1992	0.916	3.0	1.404	3.0	1.390	3.7
1993	0.938	2.4	1.446	3.0	1.429	2.8
1994	0.957	2.0	1.483	2.6	1.478	3.4
1995	0.979	2.3	1.525	2.8	1.522	3.0
1996	1.000	2.1	1.570	2.9	1.575	3.4
1997	1.019	1.9	1.606	2.3	1.630	3.5
1998	1.030	1.1	1.631	1.5	1.678	2.9
1999	1.048	1.8	1.667	2.2	1.728	3.0
2000	1.073	2.4	1.723	3.4	1.792	3.7
Forecast						
2001	1.097	2.2	1.777	3.2	1.853	3.4
2002	1.120	2.1	1.820	2.4	1.894	2.3
2003	1.148	2.5	1.865	2.5	1.935	2.2

* Chain-Weight Implicit Price Deflator for Personal Consumption Expenditures

Consumer Price Index for all Urban Consumers

+ Consumer Price Index for the Seattle-Tacoma-Bremerton, WA CMSA

Table A4.2

Chain-Weighted Price Indices

(1996=1.0)

	Services		Food		Fuels		Gasoline	
	<u>Index</u>	<u>Percent Change</u>	<u>Index</u>	<u>Percent Change</u>	<u>Index</u>	<u>Percent Change</u>	<u>Index</u>	<u>Percent Change</u>
1963	0.181	1.4	0.227	1.4	0.147	1.9	0.230	-0.2
1964	0.184	1.8	0.232	1.9	0.146	-0.9	0.228	-0.7
1965	0.188	2.0	0.236	2.0	0.149	2.3	0.237	3.8
1966	0.193	2.8	0.246	4.2	0.153	2.5	0.243	2.3
1967	0.199	3.0	0.250	1.6	0.158	3.2	0.251	3.3
1968	0.207	4.2	0.259	3.7	0.162	3.0	0.254	1.5
1969	0.217	5.0	0.272	4.9	0.166	2.3	0.263	3.3
1970	0.229	5.3	0.288	6.1	0.173	4.2	0.265	0.9
1971	0.242	5.6	0.297	3.1	0.185	6.7	0.267	0.7
1972	0.252	4.4	0.311	4.5	0.186	0.8	0.270	1.3
1973	0.264	4.6	0.345	10.9	0.213	14.4	0.296	9.6
1974	0.285	7.9	0.393	14.2	0.338	58.3	0.400	35.1
1975	0.308	8.2	0.425	7.9	0.370	9.6	0.427	6.7
1976	0.329	6.8	0.439	3.3	0.395	6.8	0.445	4.2
1977	0.355	7.9	0.466	6.3	0.446	12.8	0.471	5.8
1978	0.383	7.9	0.509	9.1	0.469	5.1	0.491	4.3
1979	0.414	8.2	0.559	10.0	0.628	34.0	0.659	34.0
1980	0.459	10.7	0.608	8.7	0.874	39.2	0.914	38.8
1981	0.506	10.2	0.654	7.6	1.064	21.7	1.017	11.3
1982	0.548	8.4	0.677	3.5	1.052	-1.2	0.966	-5.1
1983	0.583	6.4	0.692	2.1	0.989	-6.0	0.934	-3.3
1984	0.614	5.2	0.715	3.3	1.011	2.3	0.920	-1.5
1985	0.644	4.9	0.729	2.0	0.976	-3.4	0.928	0.8
1986	0.673	4.6	0.750	2.9	0.787	-19.3	0.729	-21.5
1987	0.702	4.3	0.775	3.3	0.788	0.1	0.756	3.8
1988	0.736	4.9	0.801	3.4	0.790	0.3	0.763	0.8
1989	0.771	4.8	0.841	5.0	0.826	4.5	0.833	9.2
1990	0.809	5.0	0.882	4.8	0.986	19.4	0.948	13.8
1991	0.848	4.8	0.912	3.4	0.955	-3.2	0.936	-1.3
1992	0.885	4.3	0.922	1.2	0.921	-3.6	0.933	-0.4
1993	0.916	3.5	0.937	1.5	0.918	-0.3	0.923	-1.0
1994	0.942	2.8	0.952	1.6	0.903	-1.6	0.928	0.5
1995	0.972	3.3	0.973	2.2	0.896	-0.8	0.942	1.6
1996	1.000	2.8	1.000	2.8	1.000	11.6	1.000	6.1
1997	1.031	3.1	1.022	2.2	1.008	0.8	1.000	0.0
1998	1.055	2.3	1.041	1.8	0.915	-9.2	0.879	-12.1
1999	1.080	2.4	1.061	2.0	0.929	1.5	0.957	8.9
2000	1.108	2.6	1.087	2.4	1.297	39.5	1.224	28.0
Forecast								
2001	1.141	3.0	1.112	2.4	1.330	2.6	1.262	3.1
2002	1.173	2.8	1.133	1.9	1.288	-3.2	1.252	-0.8
2003	1.210	3.1	1.157	2.1	1.296	0.6	1.256	0.3

Table A5.1
Total Resident Population and Components of Change*
 (Thousands)

	<u>Population</u>	<u>Change</u>	<u>Percent Change</u>	<u>Births</u>	<u>Deaths</u>	<u>Net Migration</u>
1970	3413.2	16.2	0.5	59.9	30.0	-13.7
1971	3436.3	23.1	0.7	60.0	29.8	-7.1
1972	3430.3	-6.0	-0.2	53.1	30.4	-28.7
1973	3444.3	14.0	0.4	47.7	30.4	-3.3
1974	3508.7	64.4	1.9	48.2	29.9	46.1
1975	3567.9	59.2	1.7	50.1	30.3	39.4
1976	3634.9	67.0	1.9	51.4	30.2	45.8
1977	3715.4	80.5	2.2	54.2	29.1	55.4
1978	3836.2	120.8	3.3	57.3	30.4	93.9
1979	3979.2	143.0	3.7	60.2	30.2	113.0
1980	4132.2	153.0	3.8	65.4	31.3	118.9
1981	4229.3	97.1	2.4	68.2	31.8	60.8
1982	4276.5	47.3	1.1	70.1	31.7	8.9
1983	4307.2	30.7	0.7	69.5	32.5	-6.2
1984	4354.1	46.8	1.1	68.5	33.2	11.6
1985	4415.8	61.7	1.4	69.1	34.0	26.6
1986	4462.2	46.4	1.1	70.2	34.0	10.2
1987	4527.1	64.9	1.5	69.3	34.4	30.0
1988	4616.9	89.8	2.0	71.0	36.0	54.8
1989	4728.1	111.2	2.4	73.0	36.0	74.2
1990	4866.7	138.6	2.9	76.4	36.2	98.5
1991	5015.3	148.6	3.1	79.1	36.6	106.1
1992	5143.6	128.3	2.6	80.2	37.2	85.2
1993	5281.6	138.1	2.7	79.1	39.4	98.3
1994	5384.1	102.5	1.9	78.2	39.5	63.8
1995	5489.1	105.0	1.9	77.5	40.0	67.5
1996	5584.3	95.2	1.7	77.0	41.2	59.4
1997	5683.3	98.9	1.8	78.0	42.6	63.5
1998	5768.5	85.2	1.5	78.8	41.6	48.0
1999	5846.4	77.9	1.4	79.8	43.1	41.3
2000	5894.1	47.7	0.8	79.5	44.0	12.2
Forecast						
2001	5952.7	58.6	1.0	79.9	45.0	23.7
2002	6016.0	63.2	1.1	80.3	45.7	28.6
2003	6083.9	67.9	1.1	81.0	46.2	33.1

* As of April 1 of Each Year

Source: Office of Financial Management

Table A5.2
Washington Population*
 (Thousands)

	1998	Actual 1999	2000	2001	Forecast 2002	2003
Total Population	5768.5	5846.4	5894.1	5952.7	6016.0	6083.9
Percent Change	1.5	1.4	0.8	1.0	1.1	1.1
Age 17 and Under	1502.6	1507.8	1507.7	1508.4	1512.2	1517.2
Percent of Total	26.0	25.8	25.6	25.3	25.1	24.9
Age 6-18	1102.1	1111.8	1110.9	1115.2	1115.8	1118.7
Percent of Total	19.1	19.0	18.8	18.7	18.5	18.4
Age 18 and Over	4265.9	4338.6	4386.5	4444.3	4503.8	4566.7
Percent of Total	74.0	74.2	74.4	74.7	74.9	75.1
Age 21 and Over	4027.9	4088.6	4132.6	4188.1	4248.5	4307.4
Percent of Total	69.8	69.9	70.1	70.4	70.6	70.8
Age 20-34	1235.0	1231.9	1226.7	1232.4	1238.9	1251.3
Percent of Total	21.4	21.1	20.8	20.7	20.6	20.6
Age 18-64	3611.2	3677.8	3719.2	3770.3	3822.7	3877.0
Percent of Total	62.6	62.9	63.1	63.3	63.5	63.7
Age 65 and Over	654.6	660.8	667.3	674.1	681.1	689.8
Percent of Total	11.3	11.3	11.3	11.3	11.3	11.3

* As of April 1 of Each Year

Source: Office of Financial Management

Glossary

Biennium: The state's two years budget cycle. The 1997-1999 biennium started on July 1, 1997 and ends June 30, 1999. The current 1999-2001 biennium started July 1, 1999 and ends June 30, 2001.

Cash Basis: Cash receipts received during a period. The Forecast Council forecasts revenues on a Cash and GAAP (Generally Accepted Accounting Principles) basis.

CPI: The Consumer Price Index for All Urban Consumers. The Bureau of Labor Statistics (BLS) updates the CPI monthly, surveying over 60,000 goods in 85 urban areas. The BLS also produces a bi-monthly Seattle-Tacoma-Bremerton CPI.

Tax Elasticity: A measure of how tax revenues respond to changes in personal income. If tax revenue elasticity is greater than one, a one percent change in personal income will be associated with more than a one percent increase in tax revenues. If elasticity is less than one, a one percent increase in personal income will be associated with less than a one percent increase in tax revenues.

Fiscal Year: The state's budget year. Washington State's fiscal year runs from July 1 through June 30. Fiscal year 1999, for example, ran from July 1, 1998 through June 30, 1999.

GAAP Basis: Generally Accepted Accounting Principles measure revenue in the period during which they accrue rather than the period in which they are received.

General Fund: Accounts for all financial resources and transactions not accounted for in another fund.

General Fund-State Revenue: Resources from state sources only, excludes federal monies.

Implicit Price Deflator for Personal Consumption Expenditures (IPD): The IPD is a by-product of the National Income and Product Accounts. It is derived by dividing current dollar (nominal) consumer expenditures by constant dollar (real) consumer expenditures.

Mortgage Rate: The average interest rate on 25 year conventional loan (as reported by the Federal Home Loan Bank Board).

Non-Wage Income: Personal income other than from wages and salaries. The major components are: proprietor's income, transfer payments, and dividends, interest and rent.

Real GDP: Gross Domestic Production adjusted for the price level.

Personal Income: Income from wages and salaries; other labor income; proprietor's income; dividends, interest and rent; transfer payments; and a residence adjustment. It is reduced by employee contributions for social insurance.

Seasonally Adjusted: Adjusted for normal seasonal variations. Monthly statistics, such as the unemployment rate, are seasonally adjusted to make month-to-month comparisons possible.

Wage and Salary Employment: Civilian nonfarm payroll employees. The self-employed, farm workers, members of the armed forces, private household employees, and workers on strike are excluded.

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